



Finance Advisory Committee Agenda

Date and Time Monday, March 11, 2013 at 10:00 a.m.

Place County Administrative Office, 2069 Battersea Road, Glenburnie

Members:

Councillor Bud Clayton - Chair

Councillor John McDougall

Councillor David Jones - Vice Chair

Warden Janet Gutowski - Ex-Officio

Page

1. Call to order
2. Adoption of the agenda
3. Disclosure of pecuniary interest and general nature thereof
4. Adoption of minutes
 - a) Minutes of Meeting held January 7 & 8, 2013
 - Minutes of Meeting held January 16, 2013
5. Deputations and/or presentations
6. Report Referred from Council
 - a) 2013-005
Financial Services – Amendments to County Procurement Policy
(This report was referred from the January 16, 2013 County Council Meeting)
7. Business
 - a) 2013-054
Information Services – Council Computer Replacement Options
 - b) Discussion on the Organizational Study
Terms of Reference for Consultant Services
8. Other business
9. Next meeting date
10. Adjournment



Finance Committee Meeting Minutes
January 7, 2013

A meeting of the Frontenac Finance Advisory Committee was held at the County Administrative Office, 2069 Battersea Road, Glenburnie, on Monday, January 7, 2013 at 10:00 a.m.

Present: Deputy Warden Clayton, Chair; Warden Gutowski; Councillor Jones, Vice Chair; and Councillor McDougall

Staff: Liz Savill, CAO/Clerk; Marian VanBruinessen, Treasurer; Paul Charbonneau, Director of Emergency & Transportation Services; Julie Shillington, Administrator of Fairmount; Anne Marie Young, Manager of Economic Sustainability; Joe Gallivan, Manager of Sustainability Planning; Jannette Amini, Deputy Clerk (Recording Secretary); Colleen Hickey, Human Resources Specialist/Labour Relations

1. Call to order

Deputy Warden Clayton called the meeting to order at 10:00 a.m.

2. Adoption of the agenda

Committee Recommendation

THAT the agenda for the Finance Committee meeting of January 7, 2013 be adopted.

3. Disclosure of pecuniary interest and general nature thereof

The Chair requested that the Deputy Clerk record that, in accordance with the *Municipal Conflict of Interest Act*, no member of Council declared a pecuniary interest.

4. Adoption of minutes

Committee Recommendation

THAT the minutes of the meeting held October 17, 2012 be approved as amended.

It was noted that Ms. Shillington was in attendance at the October 17, 2012 meeting and should be added to Staff in attendance.

5. Deputations and/or presentations – Nil

6. Communications – Nil

7. Reports referred from County Council

Finance Committee Minutes
January 7, 2013

Received by County Council January 16, 2013

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Report 2013-010

Financial Services - Land Ambulance Vehicle Useful Life Adjustment (Referred from the October 17, 2012 County Council meeting)

Committee Recommendation

RESOLVED THAT the Finance Committee of the County of Frontenac accept this Financial Services – Useful Life of Land Ambulance Further Discussion report for discussion;

AND FURTHER THAT the Finance Committee recommend to County Council that Council adopt a Bylaw revising the Tangible Capital Asset Useful Life Schedule to amend the useful life of an ambulance from 6 years to 4.5 years;

AND FURTHER THAT the Finance Committee recommend to County Council that all replacement of vehicles must be authorized by Council.

It was noted to the Committee that vehicles that had typically last for 6 years are no longer manufactured and that ambulances currently running do not last that long. Attempts to extend the life of a vehicle result in significant costs in maintenance and repairs. Staff did suggested that this amendment to the by-law is for accounting purposes only and that vehicles will only be replaced if needed. Another concern that was expressed by staff was that currently if a vehicle is replaced before 6 years, the County would lose those additional years of provincial funding.

Committee discussed the types of vehicles currently available and issues with specific vehicles as well as types of vehicles that may become available in the future.

Members expressed concerns that if the County were to move to this type of accounting system that vehicles would automatically be replaced in 4.5 years. Although there is direction in place by Council with respect to the replacement of vehicles, reports could come forward to Council for authorization.

The Committee discussed patient transport vehicles to which staff noted there are private companies that do this and that this has been a discussion point since provincial downloading of the service. Although some concerns were expressed with this new industry of patient transfer, FPS is obligated to transfer patients if ordered by the hospitals.

The Committee was advised that the County currently has reserve funds set up for vehicle replacement.

Report 2013-012

**Human Resources - Non-Union Salary Adjustment Policy
(Referred from the December 19, 2012 County Council meeting)**

Committee Recommendation

THAT Council authorize the implementation of the Non-Union Salary Adjustment Policy that directs:

1. Annual adjustments to non-union rates will be set in accordance with the annual Ontario Consumer Price Index for October of each year based on the annual CPI rate.
2. If the Index falls below two (2) percent, the higher of the three (3) County collective agreements wage increases should be applied to the non-union wage schedules to reflect a wage increase and maintain a margin between the unionized and non-unionized bands to curtail compression.
3. Further, a review of the average increases of the four (4) Frontenac Townships, authorized at the time of the County budget will be brought forward for Council's review to ensure a fair rate is applied.
4. Should the Index exceed three (3) percent, Council direction shall be sought prior to any adjustments being made.
5. All adjustments will be effective January 1st of each year.

AND FURTHER THAT Council authorize a 2% non-union increase for 2013.

Point 2 was amended to take the higher of the three (3) County collective agreements wage increases

The Committee discussed the issue of ensuring that management salaries remain competitive while at the same time showing restraint and the need to deal with the economic realities of the times. It questioned if this was an appropriate time to be introducing long term policy. Staff advised that the last salary review places the County at the 41st percentile and current staff are putting in additional unpaid hours.

Report 2013-009

Human Resources - Organizational Study Options

(Referred from the December 19, 2012 County Council meeting)

Committee Recommendation

THAT the Finance Advisory Committee receive this Human Resources – Organizational Study Options report;

AND FURTHER THAT the CAO be directed to bring to the March 11, 2013 Finance Advisory Committee a Terms of Reference for the services of a consultant to complete an appropriate Organizational Study.

The Committee discussed what the organizational study should accomplish and the 3 different options noted in the report. Staff pointed the Committee to the recent review done on the Dietary Services for Fairmount Home in which work flow and processes were considered to identify what an organization does, what it should be doing and where there are gaps.

Some concerns were expressed that this review was premature as these departments do not have a large number of staff and, if staff were given an opportunity to show what staff do, the Committee could then have an open discussion and come up with a more specified study; however it was acknowledged that having someone from the outside can provide objectivity when determining if additional staff are required or if more efficient processes could be followed.

Concern was expressed by staff that if additional staff resources are not approved, that Finance may not be able to meet its statutory obligations. As well, staff is interested in seeing if they are using their time well and that they are working effectively and efficiently.

The Committee discussed how the RFP might be drafted and that it should be Council that engages the services of a consultant given that this organizational review would also include the CAO position. The CAO was asked to include 2 members of Council when developing an RFP for the Terms of Reference.

8. Business

**a) Report 2013-003
Financial Services – 2013 Preliminary Budget**

Committee Recommendation

RESOLVED THAT the Finance Committee of the County of Frontenac accept this Financial Services – 2013 Budget Presentation report for discussion;

AND FURTHER that the Finance Committee confirm its list of comments and observations concerning the 2013 Budget Presentation as follows:

1. Governance

THAT the expense line for Salaries be increased by \$3,500; and

THAT \$3,000 be added to the Professional, Contracted Service, Insurance which was removed from the Sustainability – Economic Development – Planning budget for Rural Youth Day; and

THAT a transfer of \$3,000 from the federal gas tax reserve be included.

2. Sustainability – Economic Development – Planning

THAT the Public Relations allocation be reduced from \$4,050 to \$1,000; and

THAT the contributions being made to the North Frontenac and Frontenac Islands Eco Tourism in the amount of \$70,922 be taken from the Economic Development Projects allocation reducing the Economic Development Projects allocation from \$100,000 to \$29,078, and

THAT the allocation for Rural Youth Day be transferred to the Sustainability Advisory Committee budget; and

THAT the County of Frontenac provide \$20,000 over 2 years to the Land O'Lakes Tourism Association projects and that Lennox and Addington County be encouraged to match this allocation and that the County's share of this project in 2013, \$10,000, be transferred from the Strategic Projects reserve.

The allocation of \$50,000 for Signage Implementation was not supported by the Finance Committee and was lost on a tie vote

3. Corporate

THAT the Transfer from Reserves be increased by \$80,000 to permit a cost of up to \$125,000 for the Administrative Organization Review

4. Transfers to Others

THAT Council direct staff to further investigate the request by Land O'Lakes Community Services for funding in the amount of \$5,000 as requested at the December 19th, 2012 Council meeting; and

THAT staff be directed to contact Frontenac Transportation that no funding was requested for 2013.

AND FINALLY the Finance Committee recommend that the 2013 Budget Presentation including the list of comments and observations developed by the Committee go forward to the Council of the County of Frontenac at its regular meeting scheduled in January 2013.

The Committee's main focus was the amount of sick time for both FPS and Fairmount and on mitigation strategies.

With respect to the Fairmount budget, the Committee reviewed the 2 options provided by staff as well as potential implications should they wish to impose the 0% increase. The Fairmount budget will continue to be monitored through financial reports each month and if it begins to appear that the budget target will not be met, staff will advise the Committee. It was noted that a lot of the increase in the budget is due to benefit increases such as OMERS and the CPP.

The Committee discussed the consequences of offsetting the levy by bringing forward dollars from a reserve fund which this year has caused a 2.42% budget increase as \$200,000 was injected into the 2012 budget to offset the operating budget. It was questioned if excessive taxation has taken place in previous years to grow such a large working reserve fund. There was a discussion around the value of considering reserve funds in the context of a long term financial plan.

b) 2013 Draft Budget

Staff will seek feedback for next year with respect to the new and changed format of the budget authorized by this Committee and Council.

General County

The Committee discussed the logic around the estimations for the 2013 budget being based on estimates from 2012 given the excess amount of funds currently in the Working Fund Reserve. Staff advised that the actual increase for the budget is currently at 3.2%; however this could change based on revenues from the City of Kingston for User Fees. The City budget is passed in November without the County's budget so the revenues are based on estimates. Other items that affect the budget are Ministry funding and budgets from other agencies so certain assumptions need to be made.

Governance

Staff noted that Council salaries in 2013 are lower as staff is now more familiar with the committees' activities and the financial costs associated with them. The increase in Training and Travel is due to a reallocation of committee expenses and reflect the budgets submitted by each Committee. It was expressed that members of Council may wish to review the Committee budgets. It was noted that Council and Committees have been incorporated under Governance and staff will provide the detail pages used to arrive at these figures.

It was noted that expense claims for 2012 continue to be processed and, staff requested that the Salaries line be increased by \$3,500 as actuals at the end of November were only \$3,500, but by the end of December totaled over \$8,500 with not all claims yet processed. It was also suggested to add the \$3,000 to Professional, Contracted Service, Insurance which was removed from the Sustainability – Economic Development – Planning budget for Rural Youth Day.

The Warden's budget was questioned and its support discussed. Staff noted that support for EOWC is included in this line as are other allocations. The EOWC has proven to be an effective forum for the County to be acknowledged by upper levels of government as small counties cannot expect to make a significant impact on provincial or federal governments working alone. The County has benefited through the EOWC on a number of issues including those related to long term care and paramedics. In the last several provincial budgets, the work of the EOWC has been acknowledged. It was noted that the EOWC is an incorporated body that restricts membership to Wardens only and to not have the Warden there would not serve the County well as the seat would be left vacant. It was suggested that perhaps through the Warden's allocation the County could host a function that would bring City of Kingston Councillors and other partners to the County to provided education and awareness of the County and its issues to ensure these issues are understood.

Staff was questioned on the large discrepancies between the 2012 budget and November 2012 actuals noting that even higher amounts are being requested in the 2013 budget. Addressing one line in particular, staff advised that not all dollars budgeted under Public Relations were used in 2012. These funds are allocated to provide Council with the ability to take advantage of opportunities that arise through the year. A portion of this line is also includes Committee expenses and the Committees did not take full advantage of their respective budgets. Members also questioned why Committee budgets appear at Council prior to budget discussions to which staff stated that Committees are directed by council to bring individual Work Plans to Council prior to the end of the year. The budgets of the Committees have risen this year as the cost of Council members attending Committees have been allocated to these budgets. The Travel, Training and Conference fees line has increased due to a reallocation of Committee expenses. The largest difference under the Governance budget is the shift of the Committees to this section. It was suggested that the surpluses from last year be incorporated into this year's budgets which would come from the Working Fund Reserve.

The Committee requested that the Committees' budget breakdown documents be provided to Council.

With respect to any amendments to the Public Relations allocation from the Warden's budget, the Committee felt that this should be a discussion at County Council. The Committee stated its support for the EOWC.

The Committee talked about its role with respect to how the Working Fund Reserve should function as staff has noted that when this reserve is used to offset the levy, it creates a higher increase in future years and this is not sustainable. This will be part of a larger discussion around long term financial planning.

Committee Recommendation

THAT the expense line for Salaries be increased by \$3,500; and

THAT \$3,000 be added to the Professional, Contracted Service, Insurance which was removed from the Sustainability – Economic Development – Planning budget for Rural Youth Day; and

THAT a transfer of \$3,000 from the Federal Gas Tax Reserve Fund be included.

The Committee recessed at 3:35 p.m. and reconvened at 9:00 a.m. January 8th, 2013

Sustainability – Economic Development – Planning

Planning: It was noted to the Committee that the original Population Modeling came at a cost of \$40,000 and the update is projected to cost \$20,000 as the trend has shown that there has been moderate growth in the County.

The Committee was made aware that a requirement of the Federal Gas Tax Funding is that dollars must be expensed within 3 years of receipt. The draft 2013 budget meets this requirement. Some of these FGT expenditures are carried forward from previous years' commitments for completion of projects. One example is the Community Improvement Plans which typically have a lifespan of 5 years.

Economic Development: The Committee was informed that there are opportunities out there for grants and loans to assist small business.

The Committee was made aware of funding donated from an area snowmobile club in the amount of \$10,000 in support of the Trail as well as property owners who are willing to provide right of ways for inclusion of the Trails expansion. There may also be opportunities to work with First Nations on trails development. The land claim agreement in principle has been tentatively reached and this may result in support for the Trail also.

The Committee was advised that the Concept Plan will address the lack of a specific map that identifies all trails and their locations in the County. There is an awareness and education component of the trails as many residents of Kingston come and use the trail and there is economic spin off and benefit to this. It was noted that the Trails Committee has not yet explored connecting the Islands with the trails and this should be done in conjunction with FI representatives.

The public consultation component of the Concept Plan will help to identify more of the trails running through the County allowing more to be mapped. As well, the opportunity to leave a legacy as part of the 150th Anniversary celebrations has been discussed by that Advisory Committee and one idea raised is the development of community hubs that are focused around the trails.

It was noted to the Committee members that the dollars budgeted in 2012 for Smaller Scale Sustainability Projects are committed and will be fully expensed in 2013. These dollars come from Federal Gas Tax funding and do not affect the levy.

Federal Gas Tax funding was raised by members of the Committee and it was noted that there is a desire by members of County Council to have a higher amount of this funding transferred to the Townships. Staff did advise that there are other large issues such as solid waste management that can be overwhelming for individual townships to address. These regional issues can benefit from Federal Gas Tax dollars. The Land Fill Review and Transportation lines are there as a safeguards if required.

A number of years ago, the County worked with Land O'Lakes to create gateway signage and interest has now been expressed to again focus on gateway signage. The issue of signage has also been discussed when working on Community Improvement Plans. Staff advised the Committee that the signage currently being used on the Frontenac K&P Trail is very durable to prevent vandalism.

A discussion arose around the Land O'Lakes Tourism Association and what financial supports the County could offer with respect to its projects. It has received \$40,000 from the 4 Townships; however is still \$20,000 short. A suggestion was made to include a line to support the Land O'Lakes Tourism Association project and that Lennox and Addington County also be encouraged to offer its financial commitment.

The difference between Public Marketing and Public Relations was questioned, to which staff replied that Public Relations includes more administrative business such as advertising for Human Resources.

A suggestion was made that this project should be shifted to the Sustainability Committee budget and identified simply as Rural Youth. There are investment opportunities out there to support rural youth and the County could partner with other initiatives.

The Committee discussed the \$100,000 for Economic Development Projects which is allocated in the budget as a place holder for projects not yet identified. It was agreed that this allocation should be reduced by the contribution made to the Townships of North Frontenac and Frontenac Islands in support of EcoTourism projects. This will reduce the line to approximately \$29,000.

Committee Recommendation

THAT the Public Relations allocation be reduced from \$4,050 to \$1,000; and

THAT the contributions to the Townships of North Frontenac and Frontenac Islands EcoTourism in the amount of \$70,922 be taken from the Economic Development Projects allocation reducing the Economic Development Projects allocation from \$100,000 to \$29,078, and

THAT the allocation for Rural Youth Day be transferred to the Sustainability Advisory Committee budget; and

THAT the County of Frontenac provide \$20,000 over 2 years to Land O'Lakes Tourism Association project and that Lennox and Addington County be encouraged to match this

allocation with the County's share of the 2013 contribution coming from the Strategic Projects Reserve.

Lost Recommendations

The allocation of \$50,000 for Signage Implementation was lost on a tie vote

Corporate

It was noted that only \$45,000 was included for the Organizational Review; however earlier in the meeting the Committee committed up to \$125,000 and this line would need to be increased. This change will not affect the levy. Breakdowns of the Professional, Contracted Services, Insurance and the Travel, Training, Conference, Fees were requested. Staff will also provide conference attendance information.

Committee Recommendation

THAT the Transfer from Reserves be increased by \$80,000 to permit a cost of up to \$125,000 for the Administrative Organization Review

Transfers to Others

The Committee discussed the \$5,000 request made by the Land O'Lakes Community Services at the December County Council for a contribution to the operating costs of transportation services provided to Frontenac County residents. The Committee felt that prior to providing such funding, feedback should be requested from the Townships and their Council representatives. This Committee is not in a position to make a recommendation on the Land O'Lakes Community Services funding request.

Some concerns were expressed that the actual amounts for each grant and the extent of their details is not being provided. Staff will ensure this information is included in the Council documents.

Committee Recommendation

THAT Council direct staff to further investigate the request by Land O'Lakes Community Services for funding in the amount of \$5,000 as requested at the December 19, 2012 Council meeting; and

THAT staff be directed to contact Frontenac Transportation that no funding was requested for 2013 and request reconciliation for 2012.

9. Closed meeting

As authorized under Section 239 (2) of the Municipal Act, to consider:
(d) labour relations or employee negotiations

Committee Recommendation

THAT the Finance Advisory Committee enter into a closed session as authorized under Section 239 of the Municipal Act to consider:
(d) labour relations or employee negotiations

Committee Recommendation

THAT the Finance Advisory Committee rise from closed session without reporting.

11. Other business – Nil

12. Next meeting date

The next meeting of the Finance Advisory Committee is scheduled from Monday, March 11, 2013.

13. Adjournment

The meeting adjourned at 2:33 p.m.



**Finance Advisory Committee Meeting Minutes
January 16, 2013**

A meeting of the County of Frontenac Finance Advisory Committee was held at the County Administrative Office, 2069 Battersea Road, Glenburnie, on Wednesday, January 16, 2013 at 1:30 p.m.

Present: Deputy Warden Clayton, Chair; Warden Gutowski; Councillor Jones, Vice Chair; and Councillor McDougall

Others: Councillor Purdon

Staff: Liz Savill, CAO/Clerk; Marian VanBruinessen, Treasurer; Paul Charbonneau, Director of Emergency & Transportation Services; Julie Shillington, Administrator of Fairmount; Jannette Amini, Deputy Clerk (Recording Secretary)

Call to order

The Chair called the meeting to order at 1:43 p.m.

Adoption of the agenda

Committee Recommendation

THAT the agenda be adopted.

Disclosure of pecuniary interest and general nature thereof

The Chair requested that the Clerk record that, in accordance with the *Municipal Conflict of Interest Act*, no member of Council declared a pecuniary interest.

BUSINESS

Continuation of the 2013 Draft Budget Deliberations

Corporate

The Committee discussed the proposed additional position of Committee Support which is being requested based on the additional work load of supporting the various Committees of Council. These Committees were created without the supports in place and it was suggested that an interim position be created while Council determines its priorities with respect to these committees.

The Committee also discussed the additional position being requested by the Finance Department along with the services that this department provides to the Township of Frontenac Islands and whether or not the County should continue to offer these services to the Township. It was noted under the current contract the County is obligated to continue this service to the Township until the end of 2013.

Committee Recommendation

THAT Council support the additional staffing compliments of one (1) Finance Clerk, and 0.5 Human Resource positions as contract positions.

The Committee made no recommendation with respect to the additional staffing compliment of one (1) Committee Support person.

Emergency Transportation Services

Emergency Management

The Committee made no amendments to this section of the budget.

Marine Services

It was pointed out to the Committee that the 15-year agreement with the City of Kingston for arterial roads has now concluded and is identified in the 2013 budget as a zero contribution by the City of Kingston. It was noted that negotiations with the City of Kingston to continue with this contribution are now being done through the individual Townships.

The Committee made no amendments to this section of the budget.

Land Ambulance

The Committee recognized the issue of sick time and replacement hours. It was noted that this issue is not unique to the County; however this is unsustainable and staff noted the mitigation strategies being considered which Council does have the authority to authorize.

Staff noted the 0.6 contract position being requested in logistics to assist with the maintenance of the ambulance stations. This contracted position will not affect the levy as currently existing staff are being paid to do this work. This will however avoid having a higher paid staff person doing the job.

The Committee made no amendments to this section of the budget.

Health Unit

This is a statutory obligation for the County and the Committee made no amendments to this section of the budget.

Fairmount Home

Committee Recommendation

THAT Council support Option #1 of the strategies to mitigate the impact of the operations on the levy, that being:

Option #1

Eliminate maintenance flex hours (\$20,000) and reduce sick leave coverage. Reduction in the maintenance flex hours does not require lay-off of staff and we could continue the practice of not replacing the first two PSW sick calls on the day shift with an option to expand the not replacing into other areas of the home.

Levy Impact: - \$36,794

Implications: This would also allow us the time to work with the union during collective bargaining, which commences January 9, to negotiate a wage rate that could allow the home to continue operations without the lay-off of staff. To lay-off staff before collective bargaining will eliminate any leverage we may have to negotiate an acceptable wage rate.

Should these efforts prove not to be successful, management would bring back a report to Council in June, 2013 with further recommendations; and

THAT \$17,802 be utilized from the Fairmount Home Working Fund Reserve to offset the net capital expense.

Social Services

Staff noted that additional information is required from the City of Kingston with respect to the numbers that have been provided to County staff.

The Committee made no amendments to this section of the budget.

Social Housing

The Committee made no amendments to this section of the budget.

Library

The Committee made no amendments to this section of the budget.

Transfers to Others

Staff advised that Frontenac Transportation was contacted as per the request made by the Committee at its January 7/8 meeting and it has requested funding for 2013. Representatives are prepared to come and make a presentation to County Council with respect to this request.

Capital

Committee Recommendation

THAT a further \$48,586 be brought forward from the Working Fund Reserve Fund to offset the County's contribution to capital in 2013.

Next meeting date

Adjournment

The meeting adjourned at 4:58 p.m.



REPORT 2013-005

ADMINISTRATIVE REPORT

To: Warden and Council Members of the County of Frontenac

From: Elizabeth Savill
CAO

Prepared by: Marian VanBruinessen
Treasurer

Kieran Williams
Municipal Management Intern

Date prepared: December 12, 2012

Date of meeting: December 19, 2012

Re: **Financial Services – Amendments to County Procurement Policy**

Recommendation

RESOLVED THAT the Council for the County of Frontenac receive the *Financial Services – Amendments to County Procurement Policy* report;

AND FURTHER RESOLVED THAT the Council for the County of Frontenac adopt By-law No. 2012-0033, being a by-law to adopt a policy to govern the procurement of goods and services by the County of Frontenac.

Background

In November 2010, County Council adopted By-law No. 2010-0031, being a by-law to adopt a policy to govern the procurement of goods and services by the County of Frontenac.

Comment

A review of the County's Procurement Policy was undertaken from July to December of 2012, involving a) research of procurement policies from comparable jurisdictions, b) discussions with County staff involved in purchasing, and c) a meeting with Treasurers from local Townships and neighbouring Counties. A table outlining some of the findings can be found in Appendix A to the report.

The review has produced the following recommended revisions to the Procurement Policy:

Administrative Report
Financial Services – Amendments to County Procurement Policy
December 19, 2012

Page 1 of 9

1. Change Table of Contents

Proposed change: Change threshold amounts to numbers. Example: "Ten thousand" to "\$10,000."

2. Page 3 Change to the definition of "Authorized Person"

Proposed change: "Authorized Persons are specified in Appendix B".

Rationale: For greater clarity

3. Page 4 Changes to the definition of "Emergency"

Proposed change: Adds "negative cost impact to the County" to the definition of Emergency, permitting emergency purchasing in such situations:

"Emergency" means an urgent situation involving a real or perceived threat to public health, safety or security and includes threats to financial and property interests, or that presents a risk of negative cost impacts to the County;"

Rationale: The current definition permits emergency purchases where there is a threat to life, safety, property, or financial interests. Policy research has indicated that some municipalities have expanded this to include urgent and unexpected purchases that will prevent future costs, such as those resulting from project delays.

4. Page 5 Creation of a definition for "No Cost Procurement"

Proposed change: "'No Cost Procurement" means a procurement of Goods and Services or Construction where the County shall not bear any expense or capital expenditure cost."

Rationale: No Cost Procurement is an emerging issue in purchasing. For example, the County has been approached by firms offering to perform tax and energy audits on a percentage recovery basis. In these types of contracts, the firm is not paid by the County and instead retains a certain percentage of any savings or new revenues discovered by the audit. In other cases, printing companies agree to publish pamphlets, brochures, and other materials for free in return for the right to sell advertising in the final product. Creating a definition allows the County to include this purchasing method in its policy.

5. Page 7 Modification to 3.4 Addition of Accessibility for Ontarians with Disabilities Act

Proposed change (underlined): "3.4 All Procurement activities on behalf of the County shall be undertaken in compliance with Section 13 of the Ontarians with Disabilities Act, 2001, S.O. 2001, Chap. 32, and the Accessibility for Ontarians with Disabilities Act, 2005, and all related regulations requiring regard to accessibility for persons with disabilities to the Goods or Services."

Rationale: Updates the section to include the new legislation. The Ontarians with Disabilities Act, 2001, has not been repealed and will remain in the policy.

6. Page 8 – 9 Modification to 3.8 and 3.11 Minor rewording

Proposed change: Sections 3.8 and 3.11 refers to Appendix B as "Delegation of Authority," when it is in fact titled "Procurement Authorizations."

7. Page 9 Modification to 3.14 d & e Specifying Council approval for single source procurement

Proposed change: Sections 3.14d and 3.14e currently read:

“The Award of a proposed Contract or the making of a proposed Bid Request in respect of the procurement of a Good and/or Service that is known to be available from only one source of supply where such source of supply has not already been identified by Council as a Pre-Qualified Vendor and where the Total Acquisition Cost of such Good and/or Service exceeds \$25,000;

The making of a proposed Bid Request where the Bid Request is to be restricted to a single source of supply because standardization or compatibility of supply is determined by the Authorized Person as being the overriding consideration in the selection of a Bid”

These sections are combined to read:

“The Award of a Proposed Contract or the making of a proposed Bid Request in respect of the procurement of a Good and/or Service that is known to be available from only one source of supply or the making of a proposed Bid Request where the Bid Request is to be restricted to a single source of supply because standardization or compatibility of supply is determined by the Authorized Person as being the overriding consideration in the selection of a Bid and where the Total Acquisition Cost of such Good and/or Service exceeds \$25,000.”

Rationale: To provide greater clarity as to when Council approval is required for single source procurement. In the previous version no threshold was provided in paragraph 2 suggesting that minor purchases related to continuity of items such as cleaning supplies, if purchased from one vendor would require Council approval.

8. Page 10 Modification to 4.5 Adjustment of advertising threshold

Proposed change: The threshold for advertising is increased from \$5,000 to \$10,000.

Rationale: The current threshold was comparatively low and results in additional costs related to print media.

Table 1 compares the County's advertising thresholds to those of other county governments:

County	Threshold for Mandatory Public Advertising
Frontenac County	Purchases over \$5,000
County of Haliburton	RFT: \$15,000 RFP Consulting: \$10,000
Middlesex County	RFT: \$50,000 RFP: Discretion of the Department Head
Renfrew County	RFP: \$100,000 or lower at Director's discretion. RFT: \$15,000
Lennox and Addington	RFQ: \$20,000 RFP: \$20,000 at discretion of Department Head. RFT: \$50,000
Bruce County	RFT: \$10,000

Table 1. Comparison of advertising thresholds.

9. Page 10 Modification to 4.8 Specifying the minimum advertisement period at seven calendar days

Proposed change: Currently, Section 4.8 does not define the minimum time period for advertising bids publicly, and instead makes reference to the Public Notice Policy. For greater clarity, the revised section now directly indicates that the minimum period for publicly advertising a Bid is seven (7) calendar days.

10. Page 11 Modification to 4.10 Amended wording regarding OPSS

Proposed change: "OPSS" is changed from its abbreviated form to "Ontario Provincial Standard Specifications."

11. Page 11 Modification to 4.12 New clause: Compliance with AODA, 2005

Proposed change: "4.12(v) an acknowledgement by the Vendor of its obligations under the Accessibility for Ontarians with Disabilities Act, 2005, and its regulations and evidence of compliance satisfactory to the Authorized Person in his or her sole discretion;"

Rationale: Section 4.12 lists all of the materials a Vendor must provide to the County before a Contract can begin. The addition of this clause will ensure the County is in compliance with the AODA, 2005.

12. Page 12 Delete former section 5.2 (in 2010 Policy)

Former wording: *5.2 Purchase Orders are required for all purchases except Petty Cash in accordance with Part VIII.*

Rationale: To reflect changes outlined in #23 - #26 below.

13. Page 12 Modification to 5.2 to 5.4 Changes to process for purchasing between \$100.01 - \$5,000

Proposed change: Sections 5.3, and 5.4 (in 2010 Policy) are deleted.

Former wording:

5.3 Petty cash funds as established by By-law may be used by the Authorized Person for purchases under \$100 in amounts not exceeding \$100 each, in which case non-competitive direct procurement processes may be utilized.

5.4 All Petty Cash fund disbursements shall be evidenced by vouchers which shall be available for auditing purposes through the Treasurer.

and replaced with a new 5.2:

"At the discretion of the Authorized Person, a documented solicitation of 3 quotations may be undertaken for purchases up to \$5,000 inclusive."

Rationale: Policy research has indicated that the County's thresholds are low compared to those of other counties. This change brings the County's procurement threshold into alignment with current practice as it exists in other jurisdictions. Additionally, petty cash transactions are guided by rules established through internal procedures.

14. Page 12 Modification to 5.3 (5.5 in 2010 Policy): Adjustment of threshold - Three quotations

Proposed change: The upper threshold for purchases requiring three quotations is increased from \$5,000.01 to \$10,000 inclusive. Additionally, the heading has been changed to add the phrase "Informal Request for Quotation."

Rationale: Policy research has indicated that the County's thresholds were low relative to those of comparable jurisdictions. Request for Quotations are used when the County intends to purchase a good but does not have detailed specifications to provide to prospective Vendors. The intention is to seek the best possible price for the item without a commitment to a contract.

15. Page 12 Modification to 5.4 (5.6 in 2010 Policy) Adjustment of threshold: RFQ

Proposed change: The threshold for the RFQ process is changed to \$10,000.01 - \$25,000 inclusive.

Rationale: The threshold for formal Request for Quotations has been raised to reflect the change made in item 13 above. Request for Quotations are used when the County intends to purchase a good but does not have detailed specifications to provide to prospective Vendors. However in this instance a more formal process is required due to the estimated magnitude of the project. The intention is to research the best possible price for an item without the commitment to a contract.

16. Page 12 Modification to 5.5 (5.7 in 2010 Policy) Adjustment of threshold: RFT

Proposed change: The threshold for the RFQ process is changed to \$25,000.01 and above. Additionally, the heading has been changed to add the phrase "Request for Tender."

Rationale: The threshold has been increased to reflect changes made in other procurement methods.

17. Page 12 Modification to 5.7 (5.9 in 2010 Policy) Adjustment of threshold: RFP

Proposed change: the threshold for the RFP process is changed to \$10,000

Rationale: Requests for Proposal are frequently used to purchase services, as opposed to goods. In these cases the detailed specifications or solution is not defined in the bid document. Policy research has indicated that the County's purchasing thresholds are low compared to other counties.

18. Page 16 Move Section 5.14 (in 2010 Policy) "Corporate credit/purchase card" to end of Section 5 and delete reference to Fin 02-04

Proposed change: Subsection 5.14 is moved to the end of Section 5. The reference to Financial policy 02-04 is deleted.

Rationale: This section is more logically located at the end of Section 5. The specific policy number is removed to facilitate policy numbering changes without having to change the Procurement Policy.

19. Page 13 Modification to 5.12: "Non-Competitive Procurements"

Proposed change: The heading to Section 5.15 (in 2010 Policy) is amended to include the phrase "Non-Competitive Procurements" at the beginning of the title.

Rationale: Consistency with the rest of the procurement policy.

20. Page 16 New Clause 5.19 New purchasing method: No Cost Procurement

Proposed change: " 5.19 No Cost Purchasing shall be acquired in the same manner and using the same Purchasing methods and Authorized Persons as procurements that have a cost to the County, depending on the estimated value of the No Cost Purchase."

Rationale: Places the procurement method in the same processes as other purchases.

21. Page 16 Modifications to 6.1: Opening and evaluating bids

Proposed change: Section 6.1 is amended to read: "All Bids, where the Total Acquisition Value exceeds \$25,000, shall be received at the County office where they shall be

opened with at least the Clerk or designate and the Treasurer or designate present. If the Authorized Person is County Council, the Warden or designate shall be present.”

Rationale: Provides clarification on who should be present for opening of Bids, and who shall be present if the Clerk, Treasurer, or Warden is not available.

22. Page 18 Modification to Section 7.5 (in 2010 Policy)

Proposed change: The wording, “(including the past performance of the Bidders)” is deleted from Section 7.5.

Rationale: Bid Documents specify which criteria will be used to settle a tie. Deleting this wording prevents a potential conflict between Section 7.5 and the criteria in the Bid Documents as past performance is not included in the latter.

23. Deletion of Section 7.8(in 2012 Policy): Bid Irregularities

Proposed change: Section 7.8 is deleted.

Rationale: Appendix D contains instructions concerning bid irregularities, making this section unnecessary.

24. Page 18 Modifications to Section 8.1

Proposed change: Sections 8.1 is modified to read: “The Award of a Contract over \$100 may be made by way of a Purchase Order.”

Rationale: Change to the less prescriptive word “may” from “shall” reflects the fact that purchase orders are not required for all purchases, such as those undertaken by credit card.

25. Delete Section 8.2 (in 2010 Policy)

Proposed change: Section 8.2 is deleted: “A Purchase Order alone is to be used when the resulting Contract requires standard contractual terms and conditions.”

Rationale: The purchase order is not required for every purchase.

26. Page 18 Modify Section 8.3 (in 2010 Policy)

Section 8.3 (becoming 8.2 in revised Policy) is altered to read: “A formal agreement shall be used instead of a Purchase Order if the Authorized Person and Treasurer determine that the resulting Contract will be complex and will contain terms and conditions other than standard contractual terms and conditions.”

Rationale: If the requirements of the service are complex and require onsite compliance with various legislation, it is valuable to require a contract rather than simply providing a purchase order as a commitment to contract.

27. Delete 8.6 (in 2010 Policy)

Proposed change: Section 8.6 is deleted: “The use of confirming Purchase Orders is not permitted i.e. Purchase Orders should not be issued after the purchase has been made and billed. If materials are ordered verbally then a Purchase Order number shall be quoted to the supplier and the Purchase Order completed and issued immediately.”

Rationale: The current software requires the preparation of Purchase orders to process and authorize payments whether or not the purchase has already been made using a Purchase Order.

28. Page 19 New clause: Section 8.5

Proposed change: "8.7 Where a Contract includes work performed by the Vendor on County of Frontenac property, no letter of intent shall be issued until the Vendor has provided proof of required insurance and proof of compliance with WSIB, the Accessibility for Ontarians with Disabilities Act, 2005, and the Occupational Health and Safety Act, 1990 and all applicable regulations."

Rationale: Ensures that any work performed on County property is done in compliance with relevant regulation.

29. Page 19 Revised section: Accessibility

Proposed change:

"9.2 The County of Frontenac will incorporate accessibility criteria and features into its procurement of Goods and Services and facilities. Where it is impractical for the County to incorporate accessibility criteria and features when procuring or acquiring specific Goods and Services and facilities, the Treasurer will provide a written explanation, upon request. Bid Documents shall be made available in an accessible format to persons with a disability upon request and at no additional charge.

9.3 The Vendor, and all sub-contractors hired by the Vendor in the completion of its work, will meet or exceed compliance with all applicable regulations under the Accessibility for Ontarians with Disabilities Act, 2005 as may be amended from time to time. It is the responsibility of the Vendor to ensure that they are fully aware of, and meet all requirements under the Act."

Rationale: The *Accessibility for Ontarians with Disabilities Act, 2005* requires public sector organizations to amend their purchasing policies to include accessibility criteria and features when purchasing goods, services, and facilities. The current policy does not comply with this requirement.

30. Deletion of Section 9.6 (in 2010 Policy)

Proposed change: Section 9.6 is deleted: "The review shall determine how effective this Policy has been in achieving the objectives set out in Part 1 of this Policy as well as the requirements of the Municipal Act, 2001, as amended."

Rationale: The specific portion of the Municipal Act that this section refers to have been repealed.

31. Page 24 Changes to Appendix B to reflect changes in thresholds and requirement for Council approval

Proposed change: Modifies procurement authorizations to:

Up to \$20,000 inclusive: Department Head

Between \$20,000.01 and \$50,000 inclusive: County CAO

Greater than \$50,000 if in the approved budget: County CAO

Greater than \$50,000, if not in the approved budget: County Council

32. Page 25 Changes to Appendix C to reflect changes in thresholds and wording

Proposed change: Wording and thresholds are amended to reflect changes in the policy.

33. Page 25 Changes to Appendix C: Request for Tender

Proposed change: The Appendix currently includes two categories for Request for Tender with two different thresholds, but with no clear difference between the two. One of the categories is deleted and replaced with just one threshold: "Over \$25,000."

34. Page 27 Amendment to Appendix D, #2 and #12 (in 2010 Policy)

Proposed change: The response to “All other irregularities” is amended to include the sentence: “Where the Authorized Person is the CAO, the CAO shall seek the direction of Council. In any case of questionable direction, the Authorized Person may seek the opinion of the County’s legal counsel.” The provision related to “unsealed bids” is deleted.

Rationale: Provides greater clarity on how to respond to irregular bids.

35. Page 29 Amendment to the wording of Appendix E

Proposed change: The wording of Appendix E is amended to the following:

“Each bidder must submit a security deposit with his bid, if requested to do so. Deposit ensures that a successful bidder will enter into a formal agreement with the County upon acceptance of the tender bid. If the successful bidder does not enter into a Contract, his security deposit is forfeited to the County. Security deposits help to ensure that only serious bids are received.

Security deposits must be in the form of a certified cheque or appropriate bid bond made out to the order of the County.

After the Contract has been executed, the County will return the deposits of all unsuccessful bidders.”

36. Page 29 Deletion of table in Appendix E

Proposed change: The table in Appendix E is deleted.

Rationale: The County’s Bid Bonds are consistent with the OPSS. Should the OPSS change, the table will be out of date. To remove the potential for conflict between Appendix E and the OPSS, this table is removed.

37. Page 29 Changes to Appendix E authorizing the modification of insurance requirements

Proposed change: “Insurance requirements may be modified at the request of the Authorized Person. A written rationale for the modification shall be provided by the Authorized Person to the Treasurer for approval prior to the release of the Bid Documents. The Treasurer shall provide a written explanation for approving the modification of insurance requirements.”

Rationale: To ensure a wide range of bidders are able to effectively compete for and obtain County contracts.

Financial Implications

Raising the advertising threshold will result in direct cost avoidance by the County. Currently the County pays approximately \$300 per ad to publicly advertise contracts.

The procurement policy governs purchasing undertaken on behalf of the County, and is designed to ensure that the County obtains the highest quality of goods and services at the best reasonable cost.

Organizations, Departments and Individuals Consulted and/or Affected

Tim Wilkin, County Solicitor, Cunningham Swan LLP

Administrative Report
Financial Services – Amendments to County Procurement Policy
December 19, 2012

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County Management
Frontenac Townships
Other Counties

Appendix A Threshold Comparisons

Frontenac County 2012 expenditures: \$43,791,630	Bruce County	Lennox and Addington County	Renfrew County	County of Elgin
	2012 expenditures (recommended) \$40,231,934 Year updated: 2006	2012 expenditures: \$63.8 million Updated: 2012	Budget 2012: \$39,171,254 Year updated: 2009	Budget 2012: \$54, 533, 225 Year updated 2010
<u>Purchases Less Than (\$1,000) Dollars</u> 5.3 Petty cash funds as established by By-law may be used by the Authorized Person for purchases under \$100 in amounts not exceeding \$100 each, in which case non-competitive direct procurement processes may be utilized. 5.4 All Petty Cash fund disbursements shall be evidenced by vouchers which shall be available for auditing purposes through the Treasurer. 5.5 A documented solicitation of 3 quotations may be undertaken for purchases between \$100 and \$1,000.	7.1 It is understood that any purchase under \$5,000 does not require formal tendering or written quotations, provided the item was individually specified in the annual budget. It is understood that the Department Head will attempt to obtain competitive prices. 7.2 More than \$5,000 and up to \$10,000 the Department Head shall have authority to issue the necessary purchase order for such goods and/or services, provided: • the proposed purchase was budgeted for; • at least three (3) written quotations have been obtained in accordance with provisions of this policy. 7.3 More than \$10,000 the Department Head in consultation with the appropriate Department Councillor shall call tenders in accordance with the provisions of this policy	Petty Cash Petty cash funds can be used for purchases under \$100. All petty cash fund disbursements shall be evidenced by receipts which shall be submitted to the Finance Department, when the petty cash fund is being replenished. Verbal Quotations The Department Head shall be authorized to make purchases of goods and services up to an amount of \$5,000 from such vendor and upon such terms as the Department Head deems appropriate and in accordance with the Purchasing Policy. Purchases shall be made from the competitive marketplace where possible and practicable. Written Quotations Orders or blanket orders for goods or services with a value between \$5,000 and \$20,000 should not be placed until at least three (3) written quotations are obtained. A written specification (Request for Quotation) should accompany the request to all potential suppliers for goods or services ordered with a value greater than \$20,000, but less than \$50,000. The Request for Quotation should be circulated to suppliers and advertised on media, including the County=s website, as deemed necessary by the Department Head. The written quotations must be summarized on the Quotation Summary Form, (Schedule F) or similar form and attached to the County's copy of the purchase order where applicable. In the absence of three suppliers willing to provide a written quotation for the goods and services requested, an explanation on the Summary Form and approval from the applicable Director is required. If the lowest quotation is not selected, the Director must report to and secure the approval of the Director, Financial & Physical Services or the C.A.O./Clerk, prior to the purchase of the goods or services.	15.0 PURCHASES OF \$400 OR LESS 15.1 A Director shall have authority to establish a Petty Cash fund in such an amount to meet the requirements of the department for the acquisition of goods, services or construction having a value of \$400 or less. 15.2 Expenditures not exceeding \$400 including purchases of goods, services and construction may be made from Petty Cash in any one instance. Petty Cash should only be used when it is not feasible to use a purchasing card. 15.3 Purchases made pursuant to Section 15.1 shall be made from the competitive marketplace wherever possible. 15.4 The dollar limit referred to in Section 15.1 shall not apply to registration or search fees and land transfer tax payable in real estate transactions. 15.5 All petty cash disbursements shall be evidenced by vouchers and shall be processed through the Treasurer/Deputy Clerk. 16.0 PURCHASES NOT EXCEEDING \$15,000 16.1 Payment for purchases of goods, services or construction not exceeding \$15,000 in value, incurred in the general administration of a department, may be made using: a) a properly authorized procurement card; b) a properly authorized purchase order, or c) from a supplier's invoice, where the requirements of Sections 16.2 to 16.5 inclusive, have been complied with. 16.2 The procedure used to purchase the goods, services or construction shall demonstrate that fair market value was achieved. 16.3 The procedure used to make purchases exceeding \$5,000 shall include evidence that the Director obtained a minimum of two verbal or written quotes unless Section 16.4 applies. 16.4 The Director may directly select a	3.5 SMALL ORDER PURCHASES (Up to \$10,000.00) 3.5(1) The Director and/or designate shall be authorized to make Small Order Purchases of goods and services up to an amount of \$10,000.00 from such vendor and upon such terms and conditions as the Director deems appropriate. 3.7 INFORMAL QUOTATION (Greater than \$10,000.00 but not greater than \$50,000.00) 3.7(1) The Director or designate in consultation with the Director of Financial Services or designate shall be authorized to make purchases of goods and services for estimated expenditures exceeding \$10,000.00 and less than \$50,000.00 from such vendor. Bid documents do not have to be sealed. Specifications (as applicable) can be issued and quotes can be received by e-mail and/or fax transmission at the using department location. At least 3 bids must be obtained whenever possible. 3.7(2) When the preferred Quotation exceeds the approved budget appropriation by more than 10%, the Director shall submit a report to Council for direction. 3.7(3) The County reserves the right to accept or reject any submission. 3.8 FORMAL QUOTATION (Greater than \$50,000.00 but not greater than \$100,000.00) 3.8(1)The Director or designate and the Director of Finance or designate shall be authorized to make Formal Quotation Purchases for goods and services for estimated expenditures exceeding \$50,000.00 and less than \$100,000.00 . Bid forms to be provided to Bidders in written format and must close in a formal sealed
<u>Purchases Between One Thousand (\$1,000) and Five Thousand (\$5,000) Dollars inclusive</u> 5.6 A documented solicitation of 3 quotations must be undertaken for Purchases having a Total Acquisition Cost of between \$1,000 and \$5,000 at the discretion of the Authorized Person				
<u>Purchases Between Five Thousand (\$5,000) and Twenty Thousand (\$20,000) Dollars inclusive</u> 5.7 Subject to Section 5.9, a Request for Quotation shall be issued for Purchases having a Total Acquisition Cost of between \$5,000 and \$20,000 where the Vendor is not a single source vendor.				
<u>Purchases Exceeding Twenty Thousand (\$20,000) Dollars</u> 5.7 Subject to Section 5.9, a Request for Tender shall be used for any purchases of Goods and/or Services having a Total Acquisition Cost				

Appendix A Threshold Comparisons			
exceeding \$20,000 . 5.8 The Authorized Person shall follow the provisions of Part VIII regarding the form of Contract required to complete the Purchase. <u>Request for Proposal</u> 5.9 For Purchases having a Total Acquisition Cost exceeding \$5,000, a Request for Proposal shall be used in place of a Request for Tender or a Request for Quotation in circumstances where, in the opinion of the Authorized Person: a. Owing to the nature of the project: (i) the project requirements are not capable of being specifically delineated; (ii) Bidders are invited to propose a solution to a problem, requirement or objective; and (iii) the selection of a Vendor is to be based on the effectiveness of the proposed solution rather than on price alone; or b. It is expected that negotiations with one or more Bidders may be required with respect to any aspect of the requirement.		Tenders All goods or services to be purchased with a value exceeding \$50,000 must be tendered in writing, and are subject to the tender procedures set out in Schedule C. All tenders require the approval of County Council prior to award.	supplier to provide professional services without obtaining quotes where the total cost of the professional services does not exceed \$15,000. 16.5 For purchases not exceeding \$15,000 in value, the Director may delegate his/her authority to a designate, provided the designate follow the requirements of this Policy. 17.0 PURCHASES NOT EXCEEDING \$50,000 17.1 Subject to Section 17.2, requirements estimated at \$50,000 or less, should be handled by the Request for Quotation procedure; however, there may be requirements estimated at \$50,000 or less where it will be more appropriate to solicit bids using a Request for Tender or a Request for Proposal. 17.2 The Request for Quotation is a bid solicitation where written quotes are obtained from suppliers without formal advertising or receipt of sealed bids. 17.3 In advance of a solicitation, the Director shall be responsible for the development of specifications, terms and conditions for the purchase of goods, services or construction. 17.4 Directors may award contracts emanating from a Request for Quotation not exceeding \$50,000 provided that: a) sufficient funds are available and identified in appropriate accounts within Council approved departmental estimates, including authorized revisions, and b) the award is to the lowest responsive bidder, provided the provisions of this Policy are followed. 17.5 Where the authority referred to in Section 17.4 is exercised, written documentation respecting the award of the contract is to be kept on a procurement file.
			process. Bids must be submitted to Financial Services at a specified location. At least three (3) bids must be obtained whenever possible. All bids will close on a specified weekday at a specified time. Bids must have a submission label detailing project name and number. 3.8(2) The Director shall be responsible to review the quote submission and verify that all specifications of the quote are met and that the total submitted price does not exceed the approved budget allocation for the project. 3.8(3) When the preferred Quotation exceeds the approved budget for a specific project, the Director shall submit a report to Council for direction. 3.8(4) The County reserves the right to accept or reject any submission. 3.9 REQUEST FOR TENDER (GREATER THAN \$100,000.00) 3.9(1) The Director or designate and the Director of Finance or designate shall be authorized to solicit tenders for goods and services for estimated expenditures exceeding \$100,000.00 if the item is specifically included within the approved budget. County Council shall award all Tenders. 3.9(2) Request for Tender procedures shall be used where: i. the item is greater than \$100,000.00; ii. the requirement can be fully defined; and, iii. best value for the County can be achieved by an award selection made on the basis of the lowest bid that meets specifications. 3.9(3) Tender forms are to be provided to Bidders in written format and must close in a formal sealed process. Tenders must be submitted to Financial Services at a specified location. At least three (3) tenders must be obtained whenever possible. All tenders will close on a specified weekday at a specified time. Bids must have a submission label detailing project name and number. 3.9(4) The Director shall be responsible to review the tender submission and verify that all specifications of the tender are met and that the total submitted price does not exceed the approved budget allocation for the project.

Appendix A Threshold Comparisons

				3.9(5) The Financial Services Department shall be responsible for arranging for the public opening of the Tender Bids at the time and date specified by the tender call. There shall be in attendance at that time a minimum of: i. The Director of Financial Services or designate ii. The Director of the issuing department or designate 3.9(6) The Financial Services Department shall forward to the issuing Department a summary of the bids subject to review by the Director. 3.9(7) The County reserves the right to accept or reject any submission. 3.10 REQUESTS FOR PROPOSALS 3.10(1) The Request for Proposal procedure shall be used in place of a Tender or Quotation when: i. The requirement is best described in a general performance specification; ii. Innovative solutions are sought; iii. Estimated expenditures not exceeding \$50,000.00, the evaluation criteria and process shall be approved by the Director prior to issuance of the Request for Proposal; iv. Expenditure exceeding \$50,000.00, the evaluation criteria and process shall be approved by Council resolution prior to the issuance of the Request for Proposal; v. To achieve best value, the award selection will be made on an evaluated point per item or other method involving a combination of mandatory and desirable requirements; vi. The Request for Proposal method of purchase is a competitive method of purchase that may or may not include Vendor pre-qualification;
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Appendix A Threshold Comparisons

Frontenac County 2012 expenditures: \$43,791,630	County of Elgin	Middlesex County	County of Northumberland	Lanark County
	Budget 2012: \$54, 533, 225 Year updated 2010	2012 expenditure: \$76,997,100 Updated: 2011	2012 expenditure: \$91.4 million Updated: 2011	2012 expenditures: \$71,551,123 Year updated: 2007
<u>Purchases Less Than (\$1,000) Dollars</u> 5.3 Petty cash funds as established by By-law may be used by the Authorized Person for purchases under \$100 in amounts not exceeding \$100 each, in which case non-competitive direct procurement processes may be utilized. 5.9 All Petty Cash fund disbursements shall be evidenced by vouchers which shall be available for auditing purposes through the Treasurer. 5.10 A documented solicitation of 3 quotations may be undertaken for purchases between \$100 and \$1,000. <u>Purchases Between One Thousand (\$1,000) and Five Thousand (\$5,000) Dollars inclusive</u> 5.11 A documented solicitation of 3 quotations must be undertaken for Purchases having a Total Acquisition Cost of between \$1,000 and \$5,000 at the discretion of the Authorized Person <u>Purchases Between Five Thousand (\$5,000) and Twenty Thousand (\$20,000) Dollars inclusive</u> 5.12 Subject to Section 5.9, a Request for Quotation shall be issued for Purchases having a Total Acquisition Cost of between \$5,000 and \$20,000 where the Vendor is not a single source vendor. <u>Purchases Exceeding Twenty Thousand (\$20,000) Dollars</u>	3.5 SMALL ORDER PURCHASES (Up to \$10,000.00) 3.5(1) The Director and/or designate shall be authorized to make Small Order Purchases of goods and services up to an amount of \$10,000.00 from such vendor and upon such terms and conditions as the Director deems appropriate. 3.7 INFORMAL QUOTATION (Greater than \$10,000.00 but not greater than \$50,000.00) 3.7(1) The Director or designate in consultation with the Director of Financial Services or designate shall be authorized to make purchases of goods and services for estimated expenditures exceeding \$10,000.00 and less than \$50,000.00 from such vendor. Bid documents do not have to be sealed. Specifications (as applicable) can be issued and quotes can be received by e-mail and/or fax transmission at the using department location. At least 3 bids must be obtained whenever possible. 3.7(2) When the preferred Quotation exceeds the approved budget appropriation by more than 10%, the Director shall submit a report to Council for direction. 3.7(3) The County reserves the right to accept or reject any submission. 3.8 FORMAL QUOTATION (Greater than \$50,000.00 but not greater than	A Department Head is hereby authorized to make Small Order Purchases (under \$5000) from such vendors and upon such terms and conditions as the Department Head deems appropriate. The Department Head will attempt to obtain competitive prices where cost effective.4.2 A Department Head is hereby authorized to make Quotation Purchases for amounts exceeding \$5,000.00 but less than \$50,000.00 from such vendor and upon such terms and conditions as the Department Head deems advisable, subject to first obtaining at least three (3) written quotations, whenever possible. 4.3 The Department Head shall not order goods or services exceeding \$50,000.00 without requesting and obtaining sealed tenders for the goods and services unless specifically authorized to do so by a resolution of Council for a particular transaction. Bids must have a submission label detailing the project name, bidder's name and address. Tendering procedures shall follow Section 5. 3.7(2) When the preferred Quotation exceeds the approved budget appropriation by more than 10%, the Director shall submit a report to Council for direction. 3.7(3) The County reserves the right to accept or reject any submission.	1. Purchases Under \$5000 A competitive process is not required for purchases under \$5000. However, comparison pricing should be done where practical. Employees making low value purchases must do so within the principles set out in section 1. Documented quotations are not mandatory. 2. Invitational Competition For the purchase of goods, services or construction: i. Over \$5000 but under \$25,000, the Department must conduct an Invitational Competition and obtain at least three (3) quotations from qualified suppliers by telephone, fax or email. ii. At or over \$25,000 but under \$50,000, Purchasing must conduct an Invitational Competition by issuing a Solicitation Document to at least three (3) qualified suppliers. Where the Procurement Project is particularly complex or the market conditions warrant it, Purchasing may advise the Department that an Open Competition should be conducted. An Invitational Competition may also be used in circumstances where Limited Competitions are permitted. 3. Open Competition An Open Competition involves the public posting of a Solicitation Document on the County's prescribed electronic tendering site and/or other forms of media deemed appropriate by purchasing. This must be employed for all purchased valued over \$50,000.	17. Informal low dollar value procurement (up to \$5,000) The purpose of this policy is to provide guidelines for Low Dollar Value Purchases (up to \$5,000) in accordance with the Purchasing Policies with intent to: 1) Obtain the highest quality of goods and/or services at the lowest possible price, available at the right time and in the right quantities. 2) Acquire goods and/or services required from qualified suppliers in a manner which promotes fair and equitable relationships with all suppliers; 3) Purchase within the limits of approved budgets; 4) Utilize departmental and corporate contracts where available. The CAO and Directors may delegate signing authority to non-union staff to purchase goods and/or services directly up to \$5,000 in accordance with the Procedures for Low Dollar Value Purchases. This delegation of authority must be approved by CAO. Although this purchasing function has been decentralized to the department, all purchasers are responsible to adhere to the Purchasing Policies and consult with the Finance Department to ensure that all opportunities for efficiencies are explored through bulk purchasing where multiple departments, entities could benefit. 18. Informal quotations (\$5,000-\$10,000) 18.1 The goal of this procurement method

Appendix A Threshold Comparisons				
5.7	Subject to Section 5.9, a Request for Tender shall be used for any purchases of Goods and/or Services having a Total Acquisition Cost exceeding \$20,000 .	\$100,000.00) 3.8(1)The Director or designate and the Director of Finance or designate shall be authorized to make Formal Quotation Purchases for goods and services for estimated expenditures exceeding \$50,000.00 and less than \$100,000.00 . Bid forms to be provided to Bidders in written format and must close in a formal sealed process. Bids must be submitted to Financial Services at a specified location. At least three (3) bids must be obtained whenever possible. All bids will close on a specified weekday at a specified time. Bids must have a submission label detailing project name and number.		is to implement an effective, objective, fair, open, transparent, accountable and efficient process for obtaining competitive Bids primarily on an invitational basis from pre-determined bidders list but may be supplemented with public advertising of the procurement opportunity or referrals from other municipalities or levels of government.
5.13	The Authorized Person shall follow the provisions of Part VIII regarding the form of Contract required to complete the Purchase.			
	<u>Request for Proposal</u>			
5.9	For Purchases having a Total Acquisition Cost exceeding \$5,000, a Request for Proposal shall be used in place of a Request for Tender or a Request for Quotation in circumstances where, in the opinion of the Authorized Person: c. Owing to the nature of the project: (i) the project requirements are not capable of being specifically delineated; (ii) Bidders are invited to propose a solution to a problem, requirement or objective; and (iii) the selection of a Vendor is to be based on the effectiveness of the proposed solution rather than on price alone; or d. It is expected that negotiations with one or more Bidders may be required with respect to any aspect of the requirement.	3.8(2) The Director shall be responsible to review the quote submission and verify that all specifications of the quote are met and that the total submitted price does not exceed the approved budget allocation for the project. 3.8(3) When the preferred Quotation exceeds the approved budget for a specific project, the Director shall submit a report to Council for direction. 3.8(4) The County reserves the right to accept or reject any submission. 3.9 REQUEST FOR TENDER (GREATER THAN \$100,000.00) 3.9(1) The Director or designate and the Director of Finance or designate shall be authorized to solicit tenders for goods and services for estimated expenditures exceeding \$100,000.00 if the item is specifically included within the approved budget. County Council shall award all Tenders. 3.9(2) Request for Tender procedures shall be used where: i. the item is greater than \$100,000.00; ii. the requirement can be fully defined; and, iii. best value for the County can be		18.2 For acquisition of goods and/or services with a total purchase price greater than \$5,000 but not exceeding a total purchase price of \$10,000, included in the budget, where no contract is available, a minimum of three (3) written quotations shall be obtained. For the purposes of this requirement: 18.2.1. Bids must be received from three separate vendors, 18.2.2. A “No Bid” response is not to be considered as a valid Bid unless approved by the Treasurer, 18.2.3. All Bidders must be receive the same specification and instruction, and 18.2.4. Written quotations shall be retained in the departmental files in accordance with Council approved by-laws for records retention. 18.2.5. The quote shall be awarded to the lowest compliant Bid. Although a minimum of three Bids is required, an open process with more than three Bids will be more competitive, and is encouraged. 18.2.6. Finance department shall assist as requested, or when deemed necessary, with the procurement process. As indentified in “Finance Departmental Responsibilities”, these transactions will be reviewed and monitored by Finance Department to determine where further training and assistance is required. Purchasing will conduct a random audit on an annual basis to ensure the requirements of this policy have been met. 18.3. In cases where three Bids are not possible, the Director is to refer to the

Appendix A Threshold Comparisons

	achieved by an award selection made on the basis of the lowest bid that meets specifications. 3.9(3) Tender forms are to be provided to Bidders in written format and must close in a formal sealed process. Tenders must be submitted to Financial Services at a specified location. At least three (3) tenders must be obtained whenever possible. All tenders will close on a specified weekday at a specified time. Bids must have a submission label detailing project name and number. 3.9(4) The Director shall be responsible to review the tender submission and verify that all specifications of the tender are met and that the total submitted price does not exceed the approved budget allocation for the project. 3.9(5) The Financial Services Department shall be responsible for arranging for the public opening of the Tender Bids at the time and date specified by the tender call. There shall be in attendance at that time a minimum of: i. The Director of Financial Services or designate ii. The Director of the issuing department or designate 3.9(6) The Financial Services Department shall forward to the issuing Department a summary of the bids subject to review by the Director. 3.9(7) The County reserves the right to accept or reject any submission. 3.10 REQUESTS FOR PROPOSALS 3.10(1) The Request for Proposal procedure shall be used in place of a Tender or Quotation when: i. The requirement is best described in a general performance specification; ii. Innovative solutions are sought; iii. Estimated expenditures not exceeding \$50,000.00, the evaluation criteria and			Policy on Non-Competitive Purchasing. 18.4. An authorized County Purchase Order shall be initiated and in some instances a contract created. When the nature of the service warrants, in the opinion of the Treasurer, or where the Vendor requires a different form of commitment other than a County Purchasing Order, a contract in a form satisfactory to the CAO or designate shall be the form of commitment. 19. Formal quotations (\$10,000-\$25,000) 19.1. The goal of this procurement method is to implement an effective, objective, fair, open, transparent, accountable and efficient process for obtaining competitive Bids primarily on an invitational basis from pre-determined bidders list but may be supplemented with public advertising of the procurement opportunity or referrals from other municipalities or levels of government. This allows for more formal quotation process emulating a RFP process while improving efficiency and effectiveness. 19.2. Formal Quotations 19.2.1 For acquisition of goods and/or services with a total purchase price greater than \$10,000 but not exceeding a total purchase price of \$25,000 and included in the budget, for purchases where no contract is available, the formal quotation process must be applied. In some cases, it is appropriate to issue an RFP for procurement under \$25,000. This can be done at the discretion of the Director/CAO for the department. 19.2.2. Written quotations shall be obtained, analyzed, the results tabulated and an award shall be determined in accordance with the procedural guidelines. The contract shall be awarded to the lowest Bid that meets the required terms, conditions and specifications outlined in the Bid document, unless otherwise approved by the CAO. All
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	process shall be approved by the Director prior to issuance of the Request for Proposal; iv. Expenditure exceeding \$50,000.00, the evaluation criteria and process shall be approved by Council resolution prior to the issuance of the Request for Proposal; v. To achieve best value, the award selection will be made on an evaluated point per item or other method involving a combination of mandatory and desirable requirements; vi. The Request for Proposal method of purchase is a competitive method of purchase that may or may not include Vendor pre-qualification;			documentation is retained by Finance. 19.2.3. A County Purchases Order and a contract will be created. When the nature of the service warrants, in the opinion of the Treasurer, or where the Vendor requires a different form of commitment other than a County Purchase Order, a contract in a form of a satisfactory to the CAO or designate shall be the form of commitment. 20. Tenders (over \$25,000) 20.1 Goals of Tenders The goal of issuing Requests for Tenders is to implement an effective, objective, fair, open, transparent, accountable and efficient process for obtaining competitive based on precisely defined requirements for which a clear or single solution exists. 20.2 The following is a policy regarding the issuance of Requests for Tenders and acceptance of Bids as issued by the Finance Department or Public Works Department. Tender Limits as outlined in the policy on all purchases over \$25,000 shall use the Request for Tender or Request for Proposal Process. The criteria for determining which process to use are contained in specifications of this policy.
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Appendix A Threshold Comparisons

Frontenac County 2012 expenditures: \$43,791,630	Prince Edward County	Grey County			
	Total expenditures, 2012: \$58.7 million	2012 expenditures: \$121,543,581			
	Year updated: 2005	Year updated: 2010			
<u>Purchases Less Than (\$1,000) Dollars</u>	(5) LOW VALUE PURCHASE (LESS THAN \$1,000.00) A Low Value Purchase may be utilized for purchases which do not exceed one thousand dollars (\$1,000.00) (which shall be deemed to be the "goal" of the Low Value Purchase form of procurement). These purchases may be made utilizing: (a) Purchase Order, (b) Petty cash (maximum \$50.00 per purchase). Petty cash funds shall only be established and utilized as may be authorized and approved by the Commissioner of Corporate Services/Treasurer. The Commissioner of Corporate Services/Treasurer has the sole authority to discontinue any petty cash fund at any time. (c) Department Store Credit Accounts - Upon receipt of goods the packing slip and/or receipt must be forwarded to the Accounts Payable Department for audit purposes. The Manager of the area is responsible for determining the designated staff to make purchases on credit accounts. The Purchasing Division will maintain and monitor all credit applications and will forward to the Commissioner of Corporate Services for authorization. (d) a cheque, or (e) a Corporation Purchasing/credit card - Purchases of goods or Services which are not covered by an annual blanket purchase order may be made by using a purchasing card. Purchasing Card Employee Acknowledgement Terms and Conditions must be adhered to, executed	INFORMAL PROCESSES a. Direct Purchase Direct purchase, as described below, may be used when: The dollar value of the item is equal to or less than \$2,500 The item is not covered under a Blanket Order Contract The item is not available from County stock b. Informal Quotation Informal Quotation procedures will be used when: The cost of the item is greater than \$2,500 and less than \$10,000, The ability exists to detail what is being purchased, ☐ Best Value for the County can be achieved by an Award selection made on the basis of the lowest compliant bid that meets specifications. ☐ Document title will be consecutively numbered based on Purchasing department's numbering and naming convention. User division shall request such number. ☐ It will be the user division's responsibility to oversee the process. Each division will provide a quarterly report to Purchasing summarizing all quoting activity utilizing a provided template. Purchasing may audit the process at any time to ensure adherence to the procedure. c. Request for Quotation (RFQ) RFQ procedures will be used when: The cost of the item is greater than \$10,000 and less than \$25,000, The ability exists to detail what is being			
5.3 Petty cash funds as established by By-law may be used by the Authorized Person for purchases under \$100 in amounts not exceeding \$100 each, in which case non-competitive direct procurement processes may be utilized.					
5.14 All Petty Cash fund disbursements shall be evidenced by vouchers which shall be available for auditing purposes through the Treasurer.					
5.15 A documented solicitation of 3 quotations may be undertaken for purchases between \$100 and \$1,000.					
<u>Purchases Between One Thousand (\$1,000) and Five Thousand (\$5,000) Dollars inclusive</u>					
5.16 A documented solicitation of 3 quotations must be undertaken for Purchases having a Total Acquisition Cost of between \$1,000 and \$5,000 at the discretion of the Authorized Person					
<u>Purchases Between Five Thousand (\$5,000) and Twenty Thousand (\$20,000) Dollars inclusive</u>					
5.17 Subject to Section 5.9, a Request for Quotation shall be issued for Purchases having a Total Acquisition Cost of between \$5,000 and \$20,000 where the Vendor is not a single source vendor.					
<u>Purchases Exceeding Twenty Thousand (\$20,000) Dollars</u>					
5.7 Subject to Section 5.9, a Request for					

Appendix A Threshold Comparisons

Tender shall be used for any purchases of Goods and/or Services having a Total Acquisition Cost exceeding \$20,000 . 5.18 The Authorized Person shall follow the provisions of Part VIII regarding the form of Contract required to complete the Purchase. <u>Request for Proposal</u> 5.9 For Purchases having a Total Acquisition Cost exceeding \$5,000, a Request for Proposal shall be used in place of a Request for Tender or a Request for Quotation in circumstances where, in the opinion of the Authorized Person: e. Owing to the nature of the project: (i) the project requirements are not capable of being specifically delineated; (ii) Bidders are invited to propose a solution to a problem, requirement or objective; and (iii) the selection of a Vendor is to be based on the effectiveness of the proposed solution rather than on price alone; or f. It is expected that negotiations with one or more Bidders may be required with respect to any aspect of the requirement.	and authorized prior to the issue of a Purchasing Card. The issuance of a Corporate Purchasing Card will be upon the approval of the Chief Administrative Officer and the Commissioner of Corporate Services. All purchases made through the use of this card must be logged on the appropriate log and filed with the credit card invoice for audit purposes. The appropriate Commissioner shall appoint individuals within the Commissioner's department who have authority to make Low Value Purchases. These purchases are within the discretion of the Commissioner or the Commissioner's delegate. Only purchases which can be demonstrated to have been made at Fair Market Value shall be made. Prices (verbal and/or written) should be documented recording and filing and to be used for reference purposes. (6) REQUEST FOR QUOTATION- INFORMAL (PURCHASES BETWEEN \$1,000.00 AND \$5,000.00) The Commissioner, Department Head, either independently or through the Purchasing Division, shall have approval for the procurement of Goods, Services and Construction having a value of one thousand dollars (\$1,000.00) or more but not exceeding five thousand dollars (\$5,000.00), an informal Request for Quotation shall be utilized (which shall be deemed to be the "goal" of the Informal Request for Quotation form of procurement). Three Quotations, either by telephone or in writing, shall be obtained. These purchases require neither formal advertising nor the receipt of sealed Bids. The Quotations shall be reviewed, and the results tabulated to determine the purchase for same. Prices (verbal and/or written) should be documented for recording and filing and to be used for reference and audit purpose	purchased, ☐ Best Value for the County can be achieved by an Award selection made on the basis of the lowest compliant bid that meets specifications. FORMAL PROCESS a. Request for Tender (RFT) RFT procedures shall be used when: The cost of the item is greater than \$25,000, The ability exists to detail what is being purchased, ☐ Best Value for the County can be achieved by an Award selection made on the basis of the lowest compliant bid that meets minimum specifications. b. Request for Proposal (RFP) RFP procedures shall be used when: ☐ The requirement is best described in a general performance specification; Innovative solutions are sought; and, To achieve Best Value, the Award selection will be made based on a fully disclosed evaluation method involving a combination of mandatory and desirable requirements.		
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Appendix A Threshold Comparisons

	(7) REQUEST FOR QUOTATION - FORMAL (PURCHASES BETWEEN \$5,001.00 AND \$25,000.00) The Commissioner, Department Head, either independently or through the Purchasing Division, shall have approval for the procurement of Goods, Services and Construction having a value of five thousand and one dollars (\$5,001.00) or more but not exceeding twenty fifty thousand dollars (\$25,000.00), using a Request for Quotation. At least three Quotations shall be obtained, in writing. These purchases do not require formal advertising, nor the receipt of sealed Bids. The Quotations shall be reviewed and the results tabulated, to determine the Award of the Contract for same. In appropriate circumstances, the Request for Proposal or the Request for Tender processes may be utilized for Contracts in this value range, if the criteria for each procurement method is otherwise met. Copies of quotations shall be recorded and filed to be used for reference and audit purposes. (8) REQUEST FOR QUOTATION - FORMAL (PURCHASES BETWEEN \$25,001.00 AND \$50,000.00) The Commissioner, through the Purchasing Division, shall have approval for the procurement of Goods, Services and Construction having a value of twenty five thousand and one dollars (\$25,001.00) or more but not exceeding fifty thousand dollars (\$50,000.00) using a formal Request for Quotation. At least three Quotations shall be obtained, in writing. These purchases do not require formal advertising, nor the receipt of Sealed Bids, The Quotations shall be reviewed and the results tabulated, to determine the Award of the Contract for same. In appropriate circumstances, the Request for Proposal or the Request for Tender processes may be utilized for Contracts in this value				
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Appendix A Threshold Comparisons					
	range, if the criteria for each procurement method is otherwise met. Copies of quotations shall be recorded and filed in the Purchasing Division to be used for reference and audit purposes.				
	(9) REQUEST FOR TENDER (PURCHASES EXCEEDING \$50,000) a. For the procurement of Goods, Services and Construction having a Contract value exceeding fifty thousand dollars (\$50,000.00). a Request for Tender shall be used where all of the following criteria apply: it two or more sources are considered capable of supplying the Good. Service or Construction; ii. the Good. Service or Construction is adequately defined to permit the evaluation of Tenders against clearly stated criteria. III. the market conditions are such that Tenders can be submitted on a common pricing basis, and iv. it is intended that the lowest priced Compliant Tender will be accepted without negotiations; which for the purposes of this section, shall also be deemed to be the "goals" of the Request for Tender form of procurement. b. The Commissioner or Department Head shall provide to the Purchasing Division a purchase requisition containing the relevant specifications, terms and conditions for the acquisition.				



PROCUREMENT POLICY

Schedule “A” to By-law No. 2012-0033

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Part I

Procurement Policy Goals

- 1.1 To ensure openness, fairness, accountability and transparency while protecting the financial best interests of the County of Frontenac.
- 1.2 To set out guidelines for the municipality to ensure that all purchases of materials, supplies and services provide the lowest costs consistent with the required quality, service, product delivery, efficiency and effectiveness.
- 1.3 To promote and maintain the integrity of the purchasing process and protect Council, vendors and staff involved in the process by providing clear direction and accountabilities and by reviewing the policy every three years or earlier to evaluate its effectiveness.
- 1.4 To have regard to the accessibility of persons with disabilities in the procurement of Goods and/or Services purchased by the County of Frontenac.
- 1.5 To encourage the procurement of Goods and/or Services with due regard to the preservation of the natural environment, vendors may be selected to supply goods or provide services made by methods resulting in the least damage to the environment. Consideration may be given to energy efficiency, reduction in solid waste for disposal, reduction in chemical emissions, and incorporation of recycled materials where practicable. When feasible, and when stated in the tender documents, preference will be given to those purchases that reduce the life cycle costs.
- 1.6 To promote the use of innovation and the use of technology in procurement activities to ensure the utilization of the most efficient and effective processes and practices.
- 1.7 To monitor and report on the economic climate and legislative changes which may have an impact on the County of Frontenac and to determine the appropriate actions to be taken through purchasing policies and procedures.

Part II: Definitions

As used herein the following definitions shall apply unless otherwise indicated:

“Authorized” in relation to a Person, means authorized by this Policy to act on behalf of the County to: (i) initiate Bid Requests and other forms of Procurement activities; (ii) govern the conduct of a Bid Request; and (iii) make an Award;

“Authorized Person” means a Person who is Authorized and includes any Designates. Authorized Persons are specified in Appendix B;

“Award” means the approval given by the Authorized Person to enter into a Contract;

“Bid” means a tender, quotation, proposal or other form of submission from a prospective Vendor in response to a Bid Request;

“Bid Bond” means a written, valid, subsisting, binding and irrevocable undertaking by a surety company to pay to the County a specified amount in the event the successful bidder fails to enter into a Contract;

“Bid Documents” means the documents issued by the County in connection with a Bid Request;

“Bid Request” means a written request by the County for Bids in connection with the provision of Goods and or Services and includes, without limitation, Requests for Proposals, Requests for Tenders, Requests for Quotations and Calls for Tenders;

“Bidder or Tenderer” means a Person that submits a Bid;

“Construction” when used to describe a class of Procurement means 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, 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 of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional services related to the construction contract unless they are included in the procurement;

“Contract” means the acceptance by the County of a Bid in the form of a duly signed agreement or Purchase Order between a chosen Bidder and the County for the provision of Goods and or Services;

“Council” means the Council of the County;

“County” means the Corporation of the County of Frontenac;

“Department” means an organizational business or service unit of the County to which Council has allocated a budget;

“Department Head” means the County staff person responsible for the directional and operational control of a Department, including, without limitation, the Department’s budget;

“Designate” means a Person to whom authority to conduct Procurement activities has been delegated by the Authorized Person;

“Electronic Tendering System” means a world wide web or Internet based system (such as MERX) that is used by purchasers of Goods and or services to submit Bid Requests;

“Emergency” means an urgent situation involving a real or perceived threat to public health, safety or security and includes threats to financial and property interests, or that presents a risk of negative cost impacts to the County;

“Evaluation Grid” has the meaning attributed to it in section 5.10;

“Goods and Services” means all supplies, equipment, materials, services (including without limitation, insurance, professional consulting services, and Construction contracts) to be supplied or furnished by a Vendor and all components thereof;

“In-house bidding” means a process that permits Departments to respond to Bid Requests in competition with external Bidders;

“Irregularity” in reference to the contents of a Bid means a departure from the strict requirements of a Bid Request as reflected by the Bid Documents;

“MASH Annex” means Annex 502.4 to the Agreement on Internal Trade;

“MASH entities” means those entities to which the MASH Annex applies, namely:

- Municipalities
- municipal organizations
- school boards
- publicly-funded academic, health and social service entities

“No Cost Procurement” means a procurement of Goods and Services or Construction where the County shall not bear any expense or capital expenditure cost;

“Pecuniary Interest” means a pecuniary interest, whether deemed, direct or indirect, within the meaning of the *Municipal Conflict of Interest Act*, R.S.O. 1990, Chap. M. 50 (the “MCIA”) and specifically excludes any of the exceptions noted under section 4 of the MCIA;

“Person” includes individuals, corporations, partnerships, firms and trusts and may include Council;

“Policy” means this procurement policy;

“Pre-qualification” means the process of selecting a number of prospective Vendors who are determined by Council to be experienced in the provision of a specific type of Goods and/or Services;

“Purchase / Procure” means the acquisition of Goods and/or Services by or on behalf of the County by way of purchase, lease, or rental;

“Purchase Order” means a written offer from the County to Purchase Goods and or Services in the form prescribed by Council;

“Request for Expressions of Interest” – a general market research tool to determine vendor interest in a proposed procurement, used prior to issuing a call for bids or proposals and not intended to result in the award of a contract.

“Single Sourcing” means the process of procuring Goods and or Services from a particular Vendor without the utilization of a Bid Request issued to other potential Vendors;

“Total Acquisition Cost” means the County’s estimate of the amount of a particular Contract plus applicable taxes and less any applicable rebates;

“Vendor” means any Person supplying Goods and or Services to the County in accordance with the terms of a Contract; and

“Vendor of Record (VOR) Process” means a procurement process in which Bids are sought only from the members of a select group of prospective Vendors as determined by the process outlined in section 5.14.

Part III: General Provisions

Application of Policy

- 3.1 The provisions of this Policy shall be followed by all Persons who act on behalf of the County in: (i) the issuance of a Bid Request; (ii) the conduct of a Bid Request; and (iii) the making of an Award.
- 3.2 Save and except for the provisions of Part VIII, which provisions apply to all Purchases on behalf of the County, the Purchase of Goods and/or Services listed in Appendix A are exempt from the provisions of this Policy.

Application of the Policy to other Municipalities

- 3.3 The terms of this Policy are applicable to the County *mutatis mutandis*. Any Person carrying on activities on and from County property must refer to the appropriate Department Head all proposals for Purchases of any Goods or Services that will be used by such Person on County property and will thereafter become the property of the County.

Compliance with Legislation and Trade Agreements

- 3.4 All Procurement activities on behalf of the County shall be undertaken in compliance with Section 13 of the *Ontarians with Disabilities Act, 2001*, S.O. 2001, Chap. 32, the *Accessibility for Ontarians with Disabilities Act, 2005*, and all related regulations requiring regard to accessibility for persons with disabilities to the Goods or Services.
- 3.5 The provisions of the MASH Annex and the Agreement on the Opening of Public Procurement for Ontario and Quebec (the "AOPPOQ") are incorporated by reference into this Policy, and shall form a part hereof. In the event of a conflict or inconsistency between any provision of this Policy and a provision of the MASH Annex or the AOPPOQ, the provision of the latter referenced trade agreements shall prevail.

Restrictions

- 3.6 No Person shall approve or initiate the Purchase of Goods and or Services except in accordance with the terms and conditions set out in this Policy.
- 3.7 No Person shall divide any Contract or Bid Request into two or more parts with the intent of avoiding the application of the provisions of this Policy.
- 3.8 Unless otherwise provided, no Purchase shall be made unless approved by a Person Authorized to do so in accordance with the provisions of Appendix B (Procurement Authorizations) attached to this Policy.
- 3.9 Any lease financing must be undertaken in accordance with the County's Lease Financing By-law.

Conflict of Interest

- 3.10 Where a Person with the ability to influence or otherwise affect the outcome of a decision to Award a Contract or to select a Bidder, either on his or her own behalf, or while acting for, by, with or through another Person, has any Pecuniary Interest in the subject matter of such Contract or Bid Request, that Person:
- (i) shall immediately disclose the fact of the Pecuniary Interest to the Authorized Person and shall describe the general nature thereof, provided that:
 - (a) in the case where a Department Head is the Authorized Person and such Department Head has a Pecuniary Interest, the Department Head will disclose his or her Pecuniary Interest to the CAO who shall then make such directions and take such steps as are necessary to ensure that the provisions of this Policy are adhered to; and
 - (b) in the case where the CAO is the Authorized Person and also has a Pecuniary Interest, the CAO shall disclose his or her Pecuniary Interest to Council which shall then make such directions and take such steps as are necessary to ensure that the provisions of this Policy are adhered to;
 - (ii) shall not take part in any deliberations regarding the Award of the Contract including any vote in relation thereto; and
 - (iii) shall not attempt in any way to influence the Award of the Contract.

Authorized Persons

- 3.11 The Persons to whom authority is granted to carry on Procurement activities as Authorized Persons are identified in Appendix B (Procurement Authorizations) attached to this Policy. Unless otherwise provided in this Policy, Authorized Persons shall have full authority and responsibility for the conduct of the Bid Request (including without limitation, the preparation, issuance and advertising of Bid Documents) and the Award of a Contract.
- 3.12 Unless otherwise provided in this Policy, Authorized Persons may appoint Designates to assist with or carry out the responsibilities of the Authorized Person, in which case, such Designates shall be deemed to be Authorized Persons for the purposes of this Policy to the extent of the authority that has been delegated to them.
- 3.13 Where Council is the Authorized Person, any documents that are to be executed by the Authorized Person shall be signed by the Warden and Clerk of the County.

Prescribed Council Approval

3.14 The following matters are subject to Council approval:

- a) Any proposed Bid Request in connection with a procurement having a Total Acquisition Cost in excess of \$50,000 which has not specifically been authorized through the budget process.
- b) Any proposed Bid Request in connection with a procurement where the Total Acquisition cost, or in the case of proposed multiple Bid Requests with respect to a particular project or program, the sum of the respective proposed Total Acquisition Costs and other related expenses, is greater than the Council approved budget for such project or program;
- c) The Award of a proposed Contract where an Irregularity precludes the Award of a Contract to the Bidder that otherwise would likely have been selected;
- d) The Award of a Proposed Contract or the making of a proposed Bid Request in respect of the procurement of a Good and/or Service that is known to be available from only one source of supply or the making of a proposed Bid Request where the Bid Request is to be restricted to a single source of supply because standardization or compatibility of supply is determined by the Authorized Person as being the overriding consideration in the selection of a Bid and where the Total Acquisition Cost of such Good and/or Service exceeds \$25,000.
- e) Any proposed cooperative procurement in which the policies of the agency or public authorities calling the cooperative Bid Solicitation are not consistent with this Policy; and
- f) The Approval of a Contract in the case where a Contract is required in accordance with the County's Lease Financing By-law.

Part IV: Preparing for a Bid Request

Bid Documentation

- 4.1 All documents related to Procurement activities, including without limitation, all Bid Requests and Bid Documents, shall be reviewed by the County's Finance Department before release to prospective Bidders to ensure:
 - (i) compliance with this Policy;
 - (ii) internal consistency between any Bid Documents that are proposed to be issued and those that have been issued by the County in the past; and
 - (iii) that any substantive amendments to standard clauses have been approved by the County's legal counsel.
- 4.2 The Authorized Person may seek out the expertise of external engineers, lawyers, architects, planners and other qualified professional consultants for

assistance in the design of Bid procedures and in the preparation of Bid Requests and Bid Documents.

- 4.3 The Bid Documents issued in connection with every competitive Bid Request shall contain:
- (i) a privilege clause advising Bidders that the lowest or any Bid may not necessarily be accepted; and
 - (ii) a provision reserving the right of the County to cancel the Bid Request at any time up to the Award of a Contract.
- 4.4 The Authorized Person shall ensure that all terms and criteria, apart from price, that are to be relied upon in awarding a Contract be fully disclosed in the Bid Documents.

Advertisement of Bid Requests

- 4.5 Bid Requests in respect of Procurements having a Total Acquisition Cost in excess of \$10,000 shall be advertised on an Electronic Bulletin Board.
- 4.6 The Authorized Person shall ensure that the provisions of the MASH Annex and the AOPPOQ are adhered to especially where the Total Acquisition Cost of a proposed Bid Request trigger the following thresholds:
- Goods and/or Services procurement with a Total Acquisition Cost of \$100,000 or more (both the MASH Annex and the AOPPOQ apply)
 - Construction procurement with a Total Acquisition Cost of \$100,000 or more (the AOPPOQ applies)
 - Construction procurement with an estimated value of \$250,000 or more (both MASH Annex and AOPPOQ apply)
- 4.7 In addition to the minimum standards set out in this Policy, Bid Request advertisements may be supplemented by other means of notification where deemed appropriate by the Authorized Person in keeping with the stated goals and objectives of this Policy as set out in Part I.
- 4.8 The minimum advertisement period for Bid requests shall be seven (7) calendar days from the posting of the Bid Request.

Bonds and Security

- 4.9 The provisions of Appendix "E" apply to this Section.
- 4.10 The Authorized Person in consultation with the Finance Department may require that a Bid be accompanied by a Bid Bond or other similar security.

Unless otherwise specified, in circumstances where a Bid Bond or other security is required, the refundable deposit requirements for Requests for Tenders and Requests for Proposals shall be as follows, with the exception that those projects using the Ontario Provincial Standard Specifications based tender documents the

value of the Bid Bond required will be consistent with the Ontario Provincial Standard Specifications guidelines (see Appendix E):

Total Acquisition Cost	Minimum Deposit Required
\$20,000.00 or less	\$500 (requirement at discretion of Authorized Person)
\$20,000.01 to \$100,000.00	5% of the Bid
>\$100,000.01	10% of the Bid

- 4.11 The Authorized Person 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 to the County.
- 4.12 Prior to the commencement of the supply of Goods and or Services in connection with a Contract, all Vendors shall provide:
- (i) in respect of Contracts where the Bid is in excess of \$50,000, all Construction and other service Contracts, and in other Contracts at the sole discretion of the Authorized Person, the following security in addition to the security referred to in subsection 4.11:
 - (a) a performance bond to guarantee the performance of a Contract; and
 - (b) a labour and material Bond to guarantee the payment for labour and materials to be supplied in connection with a Contract;
 - (ii) evidence of insurance coverage satisfactory to the County Clerk (at no less than the minimum levels set out in Appendix "E") ensuring indemnification of the County from any and all claims, demands, losses, costs or damages resulting from the performance of the Vendor's obligations under the Contract and from any other risk determined by the County Treasurer as requiring coverage;
 - (iii) a Certificate of Clearance from the Workplace Safety and Insurance Board ensuring all premiums or levies have been paid by the Vendor to the Workplace Safety and Insurance Board to the date of payment for all contracts with a labour component (no dollar threshold);
 - (iv) an acknowledgement by the Vendor of its obligations under the *Occupational Health and Safety Act*, 1990, its regulations, and the County's safety policy satisfactory to the Authorized Person in his or her sole discretion;
 - (v) an acknowledgment by the Vendor of its obligations under the *Accessibility for Ontarians with Disabilities*, 2005 and its regulations and evidence of

compliance satisfactory to the Authorized Person in his or her sole discretion;

(vi) where the Contract contemplates work within the traveled portion of a roadway, an acknowledgement of its understanding of the Ontario traffic Manual and agreement to abide by that manual prior to performing any work within the roadway; and

(vii) evidence of compliance with any other legislation by which the trade or activity is governed is to be provided.

Part V: Purchasing Methods

5.1 Appendix C applies to this section.

Informal Low Value Procurement: Purchases Up to \$5,000 inclusive

5.2 At the discretion of the Authorized Person, a documented solicitation of 3 quotations may be undertaken for purchases under \$5,000.

Informal Request for Quotation: Purchases Between \$5,000.01 and \$10,000 Inclusive

5.3 A documented solicitation of 3 quotations must be undertaken for Purchases having a Total Acquisition Cost of between \$5,000 and \$10,000.

Request for Quotation: Purchases Between \$10,000.01 and \$25,000 Inclusive

5.4 Subject to Section 5.9, a Request for Quotation shall be issued for Purchases having a Total Acquisition Cost of between \$10,000.01 and \$25,000 where the Vendor is not a single source vendor.

Request for Tender: Purchases Exceeding \$25,000.00

5.5 Subject to Section 5.9, a Request for Tender shall be used for any purchases of Goods and/or Services having a Total Acquisition Cost exceeding \$25,000.

5.6 The Authorized Person shall follow the provisions of Part VIII regarding the form of Contract required to complete the Purchase.

Request for Proposal

5.7 For Purchases having a Total Acquisition Cost exceeding \$10,000, a Request for Proposal shall be used in place of a Request for Tender or a Request for Quotation in circumstances where, in the opinion of the Authorized Person:

- a. Owing to the nature of the project: (i) the project requirements are not capable of being specifically delineated; (ii) Bidders are invited to propose a solution to a problem, requirement or objective; and (iii) the selection of a Vendor is to be based on the effectiveness of the proposed solution rather than on price alone; or

- b. It is expected that negotiations with one or more Bidders may be required with respect to any aspect of the requirement.
- 5.8 Bids in response to a Request for Proposal shall be evaluated in accordance with the evaluation methodology set out in the Guidelines issued by the Consulting Engineers of Ontario ("Evaluation Grid"). Appendix F attached to this Policy contains a sample of this evaluation methodology.
- 5.9 The Finance Department shall maintain a list of suggested evaluation criteria for assistance in preparing an Evaluation Grid, which criteria may include factors such as approach, equipment and facilities, experience and qualifications, methodology, past performance and scheduling, price and strategy.
- 5.10 The Authorized Person may Award a Contract emanating from Bids in response to a Request for Proposal provided that:
 - a. The Award is made to the Bidder meeting all mandatory requirements and determined, by reference to an Evaluation Grid, as providing best value;
 - b. Sufficient funds are available and identified in appropriate accounts within Council Approved Budgets; and
 - c. The provisions of this Policy are complied with.
- 5.11 The Authorized Person shall follow the provisions of Part VIII regarding the form of Contract required to complete the purchase.

Non-Competitive Procurements: Suppliers of Specialized Goods and/or Services

- 5.12 Annually, during budget deliberations, all Department Heads shall submit, for the approval of Council, a report setting out:
 - (i) a list of those prospective Vendors, if any, identified to be used in Single Sourcing Procurements of specialized Goods and/or Services which must be recorded on the Vendor of Record list.
 - (ii) the Total Acquisition Costs involved in any such Contracts; and
 - (iii) the rationale for Single Sourcing in the specific circumstances of such Contracts.
- 5.13. Authorized Persons may Award Contracts on a Single Source, non-competitive basis to suppliers of specialized goods and/or services who are on the Vendor of Record list. The Award of the Contract will be documented by the issuance of a blanket purchase order to recognize the standing agreement.

Non-competitive contracting may be justified under the following set of criteria which includes, but is not limited to

- when there is a statutory- or market-based monopoly on the item
- when no bids were received in a competitive process

- when the required item is covered by an exclusive right such as a patent, copyright or exclusive license
- when the purchase is already covered by a lease-purchase agreement where payments are partially or totally credited to the purchase
- when it is necessary to ensure compatibility with existing products or to avoid violating warranty/guarantee requirements when service is required
- when the required item is in short supply due to market conditions
- when competitive sourcing for low value procurement would be uneconomical or would not attract bids
- when competitive procurement may be found to be impractical for such items as meal expenses, incidental travel expenses (e.g. taxi service, phone calls), and training and education expenses
- when an urgent procurement is necessary for fulfilling a statutory order issued by a federal or provincial authority, such as an environmental, public health, or workplace safety compliance order.
- when specialized experience, knowledge or expertise is required
- when by legislation or regulation, the service can be provided only by the following licensed professionals: medical doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, chartered accountants, lawyers and notaries

Vendors of Record

- 5.14 The County may select the VOR process of procurement if the Vendors are included on a Vendor of Record list. Generally, there shall be a documented detailed working relationship with the Vendor who will be providing the Goods or Services needed by the County without the County absorbing the administrative costs of seeking several quotes. The VOR process may be used either directly to Procure Goods and or Services (i.e. without further competition) or it may be used as the basis for a Bid Request.

Every three years vendors will be provided with the opportunity to be included on the Vendor of Record list through an open solicitation of expressions of interest. Current Vendors and new submissions will be reviewed using the standard evaluation grid available for the specific good or service to which the vendor relates.

A vendor who is the successful bidder in a competitive process for the County and who provides the contracted service consistent with the requirements of the contract in a manner satisfactory to the Authorized Person will be added to the Vendor of Record list.

The VOR list shall be reviewed at least once per fiscal year by County Council during budget deliberations to ensure the County continues to receive Goods and Services at the best possible value. However, any VOR vendor can be removed from the list at any time on recommendation to Council by the Authorized person.

In-House Bids

- 5.15 In-House Bids would not normally be accepted in the Procurement of Goods and/or Services but may be considered in circumstances where County departments can offer the goods or service at a competitive rate and the CAO considers it appropriate to do so. An evaluation of the In-House Bid would be undertaken under the same criteria as that required for external vendors.

Emergency Purchases

- 5.16 Where, in the opinion of the Authorized Person, an Emergency exists requiring the immediate procurement of Goods and/or Services, he or she may authorize the Purchase of the required Goods and/or Services by the most expedient and economical means subject to the following:
- (i) any Authorized Person may authorize Emergency Purchases having Total Acquisition Costs of \$5,000 or less;
 - (ii) for Emergency Purchases having a Total Acquisition Cost greater than \$5,000 and less than \$50,000, Department Heads who are Authorized Persons require the written approval of the CAO to authorize the Emergency Purchase; and
 - (iii) for Emergency Purchases having a Total Acquisition Cost greater than \$50,000, only the County Warden may authorize such a Purchase.

Cooperative Purchasing

- 5.17 The County may participate with other government agencies or public authorities in cooperative purchasing where, in the view of County Council it is in the best interest of the County to do so and where the purposes, goals and objectives of this Policy are complied with by such government agencies and public authorities.
- 5.18 Notwithstanding section 5.20, where the policies of the government agencies or public authorities calling the cooperative Bid Solicitation are not consistent with the County's, the CAO will document the policy differences and present the rationale for continuing with the cooperative procurement. The CAO may recommend the cooperative procurement to County Council for approval. The CAO will document the policy differences and present the rationale for continuing with the cooperative procurement.

No Cost Procurement

- 5.19 No Cost Purchasing shall be acquired in the same manner and using the same Purchasing methods and Authorized Persons as procurements that have a cost to the County, depending on the estimated value of the No Cost Purchase.

Corporate credit/purchase card

- 5.20 Corporate credit/purchase cards may be used by an authorized cardholder to purchase any eligible good or service where the total purchase price, including all applicable taxes, is within the cardholder's authorized monthly maximum.

All use of corporate credit cards must be in accordance with Finance Procedures and supported by valid authorized source documents. All such source documents must be approved by the Department Head in accordance with Appendix B.

Part VI: Opening and Evaluating Bids

Opening Bids

- 6.1 All Bids, where the Total Acquisition Value exceeds \$25,000, shall be received at the County office where they shall be opened with at least the Clerk or designate and the Treasurer or designate. If the Authorized Person is County Council, the Warden or designate shall be present.
- 6.2 Bids received later than the specified closing time will be returned unopened to the Bidder.
- 6.3 Bidders may withdraw their bids at any time up to the official closing time specified in the Bid Documents in the manner specified therein.
- 6.4 Bid requests with estimated Total Acquisition Cost exceeding \$100,000 will be opened in public.

Preference to Local Suppliers

- 6.5 Subject to the provisions of the MASH Annex, the AOPPOQ and all other applicable law, and all else being equal, local Bidders may be given preference in the selection of a Vendor.

Rejection of Bids in Reliance on Privilege Clause

- 6.6 In the event that the Authorized Person is relying on the so-called privilege clause as the basis for the rejection of a particular Bid, the Authorized Person must document the specific reasons for such rejection and the reasons so stated must be consistent with considerations contained within the Bid Documents.

Only Compliant Bids to be Considered

- 6.7 Subject to Section 7.7, in evaluating Bids, the Authorized Person shall not consider any Bids that are not in compliance with the terms and conditions set out in the Bid Documents.

Duty of Fairness to Bidders

- 6.8 The Authorized Person:

- (i) shall not permit a Bidder to alter or amend his Bid once the time for Bid submissions tenders has closed;
- (ii) shall act fairly, bargain in good faith, and not give any Bidder an unfair advantage over other Bidders; and
- (iii) shall not conduct bid shopping or procedures akin to bid shopping.

Part VII: Problems Encountered in the Administration of Procurement Procedures

Where Strict Adherence to Policy Unmanageable

- 7.1 If, in the context of either the approval to issue a Bid Request, the actual conduct of a Bid Request, or the determination of whether the County shall enter into a Contract and with whom, circumstances arise that, in the view of the Authorized Person, would make strict adherence to the provisions of this Policy difficult, impractical, unmanageable or would otherwise run counter to the stated goals of this policy or not be in the best interests of the County, the Authorized Person shall:
- (a) where the Authorized Person is a Department Head, advise both the CAO and Treasurer of the County who shall together have joint authority to determine the appropriate action; and
 - (b) where the Authorized Person is the CAO, advise Council which shall have the authority to determine the appropriate action.

Unresponsive or Excessive Bids

- 7.2 Where Bids are received in response to a Bid Request, but all are in excess of project estimates or are non-compliant with or unresponsive to the Bid Documents then:
- (i) The Authorized Person may reissue a revised Bid; or
 - (ii) The Authorized Person, Department Head, Treasurer and CAO, jointly may enter negotiations with the lowest compliant Bidder to achieve an acceptable Bid within the project estimate.

Identical Bids

- 7.3 If the Lowest Compliant Bids from two or more Bidders are identical in total cost or unit price, as the case may be, the Authorized Person, in conjunction with the Treasurer and CAO, may enter into negotiations with the Bidders who have submitted the identical price in an attempt to obtain a lesser price and shall maintain a record in respect of such negotiations.
- 7.4 The Authorized Person, CAO, or Treasurer shall not reveal information pertaining to such negotiations or the manner in which the final price was determined to any

of the Bidders concerned. The Authorized Person shall include as part of the record, a report concerning the results of such negotiations.

- 7.5 If the Lowest Compliant Bids from two or more bidders are identical in total cost or unit price, as the case may be, and negotiations for the purposes of obtaining a lower price have not been successful, the Authorized Person may break the tie in a manner consistent with the provisions of the Bid Documents. In this regard, the Authorized Person shall not utilize any arbitrary means in order to break a tie, but may have regard to certain provided such factors are specifically identified in the Bid Documents as being available for consideration in the event of identical Bids.

Where Only One Bid Received

- 7.6 In the case where only one Bid is received in response to a Bid Request, the Authorized Person shall advise the lone Bidder of the fact that only one Bid was received and shall attempt to negotiate the rules under which the Bid might be opened, failing which, the County shall offer to return the Bid unopened.

Bid Irregularities

- 7.7 The procedure for administering Irregularities shall be as set out in Appendix D. The Authorized Person is directed to respond to an Irregularity in the manner specified in the third column.

Part VIII: Form of Contract

- 8.1 The Award of a Contract over \$100 may be made by way of a Purchase Order.
- 8.2 A formal agreement shall be used instead of a Purchase Order if the Authorized Person and Treasurer determine that the resulting Contract will be complex and will contain terms and conditions other than standard contractual terms and conditions.
- 8.3 Where it is deemed that a formal agreement is required, the formal agreement shall be reviewed by the Treasurer and Legal Counsel as required.
- 8.4 Where a formal agreement is required, the agreement shall be executed by the Authorized Person.
- 8.5 Where a Contract includes work performed by the Vendor on County of Frontenac property, no letter of intent shall be issued until the Vendor has provided proof of required insurance and proof of compliance with WSIB, the *Accessibility for Ontarians with Disabilities Act, 2005*, and the *Occupational Health and Safety Act, 1990* and all applicable regulations.

Part IX: Other

Access to Information

- 9.1 The disclosure of information received relevant to the issue of Bid Requests or the Award of Contracts emanating from Bid Requests shall be in accordance with the provisions of the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c.M56, as amended.

Accessibility

- 9.2 The County of Frontenac will incorporate accessibility criteria and features into its procurement of Goods and Services and facilities. Where it is impractical for the County to incorporate accessibility criteria and features when procuring or acquiring specific Goods and Services and facilities, the Treasurer will provide a written explanation, upon request. Bid Documents shall, upon request, be made available in an accessible format to persons with a disability at no additional charge.
- 9.3 The Vendor, and all sub-contractors hired by the Vendor in the completion of its work, will meet or exceed compliance with all applicable regulations under the *Accessibility for Ontarians with Disabilities Act*, 2005, as may be amended from time to time. It is the responsibility of the Vendor to ensure that they are fully aware of, and meet all requirements under the Act and all applicable regulations.

Policy Review

- 9.4 The Treasurer will randomly review Departmental purchasing on an ongoing basis to assess the effectiveness and efficiency of the procedures and to ensure that this Policy has been consistently applied.
- 9.5 This Policy shall be reviewed prior to the end of each Council term and any amendment thereto shall be made prior to the inaugural meeting of the next Council.

This is Schedule "A" to By-law No. 2012-0033
passed by the Council of the County of
Frontenac this 19th day of December, 2012.

Janet Gutowski, Warden

K. Elizabeth Savill, Clerk

APPENDIX A

Goods and Services “Exempt” from Provisions of the Procurement Policy

1. Petty Cash Items
2. Training and Education
 - a) Conferences
 - b) Courses
 - c) Conventions
 - d) Memberships
 - e) Seminars
 - f) Periodicals
 - g) Magazines
 - h) Staff training
 - i) Staff development
 - j) Staff workshops
 - k) Subscriptions
3. Employee Expenses
 - a) Advances
 - b) Meal Allowances
 - c) Travel & Hotel accommodation
 - d) Entertainment
 - e) Miscellaneous – Non-Travel
4. Employer’s General Expenses
 - a) Payroll deduction remittances
 - b) Licenses (vehicles, elevators, radios, etc)
 - c) Debenture payments
 - d) Grants to agencies
 - e) Payments of damages
 - f) Tax remittances
 - g) Charges to/from other Government or Crown Corporations
 - h) Employee income
 - i) Petty cash replenishment
5. Professional and Special Services
 - a) Committee fees
 - b) Witness fees
 - c) Court Reporters’ fees
 - d) Honoraria
 - e) Arbitrators
 - f) Mediators
 - g) Legal settlements
 - h) Contracts related to the provision of “controlled acts” by persons “governed by a health profession Act” as those expressions are used in the Regulated Health Professions Act, S.S. 1991, c18 as amended
6. Utilities
 - a) Postage

- b) Water and sewer charges
 - c) Hydro
 - d) Cable television charges
 - e) Telephone
 - f) Natural Gas
7. Advertising services required by the County on or in but not limited to radio, television, newspaper and magazines
8. Bailiff or collection agencies

APPENDIX B

Procurement Authorizations

The following table shall determine the identity of the Authorized Person in respect of a proposed Bid Request.

Total Acquisition Cost	Authorized Person
Up to \$20,000	Department Heads
Between \$20,000.01 and \$50,000 inclusive. Greater than \$50,000 if in the approved budget	County CAO
Greater than \$50,000 if not in the approved budget.	County Council

APPENDIX C

Purchasing Process, Circumstances for Use and Goals

Process	Dollar Threshold	Circumstances for Use	Goals
Informal Low Value Procurement	Up to \$5,000	At the discretion of the Authorized Person.	
Informal Request for Quotation	Between \$5,000.01 and \$10,000 inclusive	When timely purchasing is critical. When the formal process is not cost beneficial.	To obtain competitive pricing for procurement in an expeditious and cost effective manner through phone, fax, e-mail , other similar communication method vendor advertisement or vendor catalogues.
Request for Quotation	Between \$10,000.01 and \$25,000 inclusive	When the process requires seeking out quotes without commitment to a contract. However the magnitude of the project requires a more formal process.	Same as for Request for Tender except that bid solicitation is done primarily on an invitational basis from a pre-determined bidders list but may be supplemented with public advertising of the procurement opportunity.
Request for Tender	Over \$25,000.00	Requirements clearly defined.	To implement an effective, objective, fair, open, transparent and accountable and efficient process for obtaining competitive bids based on precisely defined requirements for which a clear or single solution exists.
Request for Proposal	Over \$10,000.00	Project requirements not specifically delineated.	To implement an effective, objective, fair, open, transparent, accountable and efficient process for obtaining unique proposals designed to meet broad outcomes to a complex problem or need for which there is no clear or single solution.
Non-Competitive or Single		• Statutory or market-based monopoly • No bids received in competitive process	To allow for procurement in an efficient and timely manner without seeking competitive pricing.

Source		• Item covered by exclusive right such as patent, copyright or exclusive licence • Item covered by a lease-purchase agreement where payments are partially or totally credited to the purchase • Where it is necessary to ensure compatibility with existing products or to avoid violating warranty/guarantee requirements • When item is in short supply due to market conditions • When competitive sourcing would be uneconomical • Emergency situations • Exempted goods, services as outlined in Appendix A • Vendor is the only supplier of goods and or services • Previously identified as a specialized service or product	To provide for exceptions to the procurement requirements of interprovincial trade agreements.
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APPENDIX D

Administering Irregularities in Bid Opening

	Irregularity	Response
1	Late Bids	Automatic rejection and not opened or read publicly
2	Bids written in pencil rather than typewriter or completed legibly in ink	Automatic rejection
3	Bids received on tender documents other than those provided by the County	Automatic rejection
4	Corporate Seal or Authorized Signatory signature missing, if required	Automatic rejection
5	Failure to provide bid securities as required by tender document	Automatic rejection
6	Documents in which addenda with financial implications have not been acknowledged	Automatic rejection
7	Bid requirements not completely met	Rejection depends on significance of bid requirements oversight
8	Restricted or qualified bids	Rejection depends on significance of bid restriction or qualification
9	Bids containing clerical and/or arithmetical errors	An acknowledgement and correction by fax within 1 hour of notification, to be followed in letter form within 24 hours to correct and initial errors
10	Overwrites, strikethroughs, or erasures of bidder's entries are not initialed	24 hours to initial from time of notification
11	All other irregularities	Depending on the significance of the irregularity, at the discretion of the Department Head, in consultation with the CAO or Treasurer, the bid envelope will either be automatically rejected, 24 hours will be given to correct and initial, or the bid may be accepted with the irregularities. Where the Authorized Person is the CAO, the CAO shall seek the direction of Council. In any case of questionable direction, the Authorized Person may seek the opinion of the County's legal counsel.

APPENDIX E
Risk Management

SECURITY DEPOSITS

Each bidder must submit a security deposit with his bid, if requested to do so. Deposit ensures that a successful bidder will enter into a formal agreement with the County upon acceptance of the tender bid. If the successful bidder does not enter into a Contract, his security deposit is forfeited to the County. Security deposits help to ensure that only serious bids are received.

Security deposits must be in the form of a certified cheque or appropriate bid bond made out to the order of the County.

After the Contract has been executed, the County will return the deposits of all unsuccessful bidders.

For those projects using the Ontario Provincial Standard Specification based tender documents the value of the Bid Bond will be consistent with the Ontario Provincial Standard Specification.

PERFORMANCE BONDS & LABOUR AND MATERIAL BONDS

Whenever a tender is let for construction or service supply, the County requires a Performance Bond and a Labour and Material Bond, guaranteed by a surety company of good standing. These bonds protect the County from a successful bidder who does not complete the work required in the formal contract. Where this occurs, the surety company may be required to pay the County an amount up to the bond limit. The bond must be taken for 100% of the contract fee and be included as part of the bid itself. Otherwise the County will not consider the bid.

INSURANCE

The standard insurance minimums are as follows:

- \$2 million – general liability policy
- \$2 million - automobile liability policy
- \$2 million – homeowners (e.g. for rental of facilities)
- \$5 million – general liability and automobile liability policies – for contract work done for most Public Works and Environmental projects which have specific high risk activities such as shoring or blasting
- \$2 million – professional errors and omissions liability
- Builder's Risk – the amount of the project cost where new construction abuts existing structures

Insurance requirements may be modified at the request of the Authorized Person. A written rationale for the modification shall be provided by the Authorized Person to the Treasurer for approval prior to the release of the Bid Documents. The Treasurer shall provide a written explanation for approving the modification of insurance requirements.

Bid documents must clearly indicate insurance requirements to be provided by the successful bidder.

The successful bidder must furnish the County at his/her cost a "certified copy" of a liability insurance policy covering public liability and property damage for no less than the minimum amounts stated above in the tender documents to the satisfaction of the County and in force for the entire contract period. The policy must contain:

- a. a "Cross Liability" clause or endorsement;
- b. an endorsement certifying that The Corporation of County of Frontenac and the successful bidder are included as an additional named insured;
- c. an endorsement to the effect that the policy or policies will not be altered, cancelled or allowed to lapse without thirty days prior written notice to the County.
- d. Contractor's Liability Insurance Policy shall not contain any exclusions of liability for damage, etc. to property, building or land arising from:
 - the removal or weakening of support of any property, building or land whether such support be natural or otherwise;
 - the use of explosives for blasting;
 - the vibration from pile driving or caisson work, provided that the minimum coverage for any such loss or damage shall be \$5,000,000.00

APPENDIX F

CEO SELECTION**A Worked Example of Value Assessment**

Four proposals for a detailed design project with prices as follows:

- A: \$615,000
 B: \$859,000
 C: \$906,000
 D: \$1,021,000

Proposal A was discarded as a rogue bid (more than 25% below average of the four proposals).

Marking of Quality and Price

Points will be awarded for each quality criteria on a stepped approach wherein the proposal judged best would receive 10 points and the others 8, 6, 4, and 2 points respectively according to how they best satisfy the particular criteria. Similarly, fees would also be rated on a stepped basis wherein the proponent with the lowest fee would be awarded 10 points, and the others 8, 6, 4, and 2 points respectively.

Decision

Even though Proposal C is a higher fee than Proposal B, the total points awarded to Proposal C was higher than Proposal B and therefore Proposal C should be awarded the project.

Weighting Criteria	%	Proposal B		Proposal C		Proposal D	
		Points 0-10	Points Weighted	Points 0-10	Points Weighted	Points 0-10	Points Weighted
Experience and Qualifications of the Project Team							
Project manager/engineer and senior designers	20	6	120	10	200	8	160
Technical support staff	6	8	48	6	36	10	60
Sub-Consultants	5	10	50	8	40	6	30
Management Qualifications							
Experience on similar projects	12	6	72	10	120	8	96
Availability of key staff	5	8	40	6	30	10	50
Stability and reputation of the firm	5	6	30	10	50	8	40
Multi-disciplinary/specialty capabilities	5	6	30	8	40	10	50
Quality assurance system	0	0	0	0	0	0	0
Local office	0	0	0	0	0	0	0
Insurance coverage	5	10	50	6	30	8	40
Project Implementation							
Approach and methodology	12	6	72	10	120	8	96
Schedule of key activities and resources	7	8	56	6	42	10	70
Project quality assurance program	8	10	80	8	64	6	48
Price	10	10	100	8	80	6	60
TOTAL MARKS 100%			748		852		800



Report 2013-054

ADMINISTRATIVE REPORT

To: Chair and Members of the Finance Advisory Committee

From: Elizabeth Savill
CAO

Prepared by: David Millard
Manager of Information Systems

Date prepared: March 6, 2013

Date of meeting: March 8, 2013

Re: Information Services – Council Computer Replacement Options

Recommendation

RESOLVED THAT County Council direct the Manager of Information Systems to proceed with Option 1 of this report and direct the Treasurer to add \$4,800 to the 2013 County Council budget to facilitate the purchases of replacement laptop computers.

Background

At its January 16, 2013 meeting, Council directed the Finance Advisory Committee to review the matter of electronic hardware for members of County Council and to report back to County Council on recommendations. This report is being provided to the Finance Advisory Committee to assist it in its deliberations on hardware options to enhance the usability of the County's Electronic Meeting Management System.

In January of 2011, netbook computers were distributed to all Council members. This continued the practice of ensuring all members of Council have the use of a County-issued computer on which County business can be conducted. This practice has been in place since 2008 when electronic council records were made available to Council members. Upon the transition to the electronic meeting management software, the automatic distribution of paper copies of agenda packages was discontinued.

The use of netbooks represented a change from the full size laptop computers previously provided to members of Council. The laptops had received criticism from previous council members for being too cumbersome. However, after 2 years of use, concerns have been raised that the viewable area on the netbook computers of 10.1 inches is not sufficient and a larger screen is required.

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Information Services – Council Computer Replacement Options
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Two of the four Frontenac Townships currently provide electronic solutions by either providing a netbook computer or an allowance per term for each councillor.

- North Frontenac provides a \$300 credit per term
- Central Frontenac offers a netbook computer or a \$300 allowance per term
- South Frontenac and Frontenac Islands currently do not offer hardware or an allowance

Below are two options that maybe utilized independently:

Option 1:

Frontenac County Information Services department will procure laptops with a minimum viewing area of 14 inches. These laptop computers will remain property of Frontenac County and in doing so Frontenac County Information Services will be fully responsible for all costs and maintenance of both the hardware and software for the balance of this term of council. The laptops will be returned to the County at the end of the term and reissued to the end of its 4-year lifecycle at which time a replacement unit would be issued. The cost of this option is estimated at \$600 per member of Council.

Option 2:

Frontenac County will provide an allowance of \$600 per Council member per term to reimburse the acquisition costs, to a maximum amount, of his/her own hardware and software solution. It should be noted that in this solution Frontenac County Information Services will not provide any software and very limited support would be extended. The cost of this option is \$600 per member of Council.

Option 1 is the recommended solution. It ensures a common platform is being used and maximizes the opportunity for staff to support both the hardware and software solutions.

Sustainability Implications

The availability of the appropriate technology to members of Council will contribute to the strong governance required.

Financial Implications

The financial impact will be an additional \$4,800 to the Council portion of the 2013 budget.

Organizations, Departments and Individuals Consulted and/or Affected

Marian VanBruinessen, Treasurer