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**SECTION: FINANCE**

**NO: FI – PR - 01**

**REFERENCE: PROCUREMENT**

**Date: August 2024**

**Next Review Date:  
July 2026**

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**TITLE: PROCUREMENT POLICY**

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**1.0 Purpose**

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- 1.1 To procure the necessary quality and quantity of Goods and Services in an efficient, timely and cost-effective manner.
- 1.2 To encourage an open and competitive process for the acquisition and disposal of Goods and Services.
- 1.3 To provide equitable and objective treatment of all suppliers and potential suppliers.
- 1.4 To create an environment that facilitates obtaining the best value from an acquisition.

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**2.0 Scope**

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- 2.1 This policy applies to all City of Dryden Departments.
- 2.2 This policy applies to the governing body of each of the following local boards:
  - (1) Dryden Library Board.

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**3.0 Definitions**

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- 3.1 Outside of terms noted in 3.2, all terms are intended to have the meaning ordinarily attributed to it in the English language.
- 3.2 For this policy, the following definitions are applicable:

- 1) **"Acquisition Method"** means the process by which Goods and Services are Procured.
- 2) **"Approved Budget"** means a budget approved by Council in a budget document and/or by specific Council resolution to acquire a deliverable, including pre-commitments and any subsequent change to the budget approved either by Council or by delegated authority as set out in this By-Law, including expenditures to be approved in future budgets assuming the same level of service as that of the current year.
- 3) **"Bid"** means an offer or submission received from a prospective supplier of Goods and Services to a Tender Request.
- 4) **"Bidder"** means a person responding to a Tender issued by the City.
- 5) **"Bid Irregularity"** is a deviation between the requirements (terms, conditions, specifications, special instructions) of a Bid Request and the information provided in the bid response.
- 6) **"Bid Request"** means a formal request for Bids or a solicitation, which may be in the form of a Request for Quotation or Tender.
- 7) **"Chief Administrative Officer"** means the person within the employ of the Corporation of The City of Dryden holding that job title and being the chief administrator for the City.
- 8) **"City"** means The Corporation of The City of Dryden.
- 9) **"Contract"** means a written and binding agreement in accordance with law. It may take the form of a Purchase Order or other form of written agreement. The term does not include verbal agreements.
- 10) **"Contractor"** means the Bidder/Proponent with whom the City enters into a Contract as the result of a Bid Request/Request for Proposal.
- 11) **"Controlling interest"** means the interest that a person has in a corporation when the person beneficially owns, directly or indirectly, or exercises control or direction over, equity shares of the corporation carrying more than ten percent (10%) of the voting rights attached to all equity shares of the corporation for the time being outstanding.
- 12) **"Council"** means the Council of the Corporation of The City of Dryden.
- 13) **"Department Head"** means a member of the Senior Management Team
- 14) **"Emergency"** is an event or circumstance where the immediate purchase of goods, services or construction is necessary to prevent or alleviate serious delay, a threat to public health, safety or welfare, the disruption of essential services or damage to public property or any other expenditure that is necessary to respond to any such event and may include, but is not limited to, an emergency declared under the Emergency Management and Civil Protection Act.

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- 15) **"Emergency Method"** means the procurement process outlined in Article 11.0 of this policy, where the usual competitive acquisition rules are suspended due to the prevailing emergency circumstances.
  - 16) **"Goods and Services"** is a phrase that includes labour, supplies, materials, equipment and services of every kind. The "and" in the phrase is intended to be read as "and/or".
  - 17) **"Major Bid Irregularity"** is a deviation from the Bid Request that affects the price, quality, quantity or delivery, and is material to the award. If the deviation is permitted, the bidder could gain an unfair advantage over competitors. Bids which contain a major irregularity will be rejected.
  - 18) **"Minor Bid Irregularity"** is a deviation from the Bid Request, which affects form, rather than substance. The effect on the price, quality, quantity or delivery is not material to the award. If the deviation is permitted or corrected, the bidder would not gain an unfair advantage over competitors.
  - 19) **"Pecuniary Interest"** means the opportunity, directly or indirectly, to profit or share in any profit derived from a competitive bid or agreement.
  - 20) **"Procure"** means to acquire by purchase, rental, lease or trade.
  - 21) **"Proponent"** means a person who submits a proposal.
  - 22) **"Proposal"** means a proposed solution to a problem, need or objective, submitted in response to a Request for Proposal.
  - 23) **"Purchase Order"** (also known as "PO"), includes Standing Purchase Orders and means a written offer to Procure Goods and Services, or a written acceptance of an offer to acquire Goods and Services, made on the City's form bearing that title.
  - 24) **"Quote"** means a request for prices for the supply of specific goods and services from selected vendors, which is submitted verbally, in writing or transmitted by facsimile.
  - 25) **"Request for Proposal"** (also known as **"RFP"**) is a process where the City seeks more information from Proponents than merely the price. The specifications outlined in the Request for Proposal document are not necessarily detailed or precise and Proponent may be asked to provide creative solutions to help the City meet the goal outlined in the RFP document. The RFP document contains the criteria by which the City will judge the various Proposals submitted to determine which will be awarded the Contract.
  - 26) **"Single Source"** means the supplier where there is more than one source in the open market but only this one is recommended for consideration in a Contract, without a Bid Request.
  - 27) **"Sole Source"** means the supplier where there is only one source of supply of Goods and Services.

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- 28) **"Solicitor"** means a person or firm, whether employed by the City or retained by the City to provide legal advice to the Council and administration.
  - 29) **"Staff Report"** is a written report presented to Council, subject to review by the Chief Administrative Officer.
  - 30) **"Standing Purchase Order"** means a Purchase Order which establishes prices or a method for determining prices, terms and conditions and the period during which a vendor agrees to provide goods or services to the purchaser upon the purchaser's demand.
  - 31) **"Tender"** is a process where the City specifies in a Tender document, with detail and precision, the exact Goods and Services it requires. Bidders are asked to submit Bids that include pricing only, with no deviation from any of the terms, conditions or specifications in the Tender document.

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#### 4.0 Principles

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- 4.1 The City seeks to purchase Goods and Services to sustain City operations without interruption and which meets its current and future needs and provides for economical and efficient service. At the same time, it recognizes that controls must be maintained in accordance with policy as approved by Council.
- 4.2 The City is committed to the highest standards of integrity with respect to the purchase of Goods and Services and managing the processes by which Goods and Services are acquired. Contract award decisions shall be based on clear, transparent and objective criteria that are applied free from favouritism, nepotism, political considerations or political interference.

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#### 5.0 General Conditions

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- 5.1 The purchase of all goods and services will adhere to this policy and shall be authorized in accordance with the provisions of *Schedule "A" – Delegation of Authority for Financial Commitments "Financial Authorization" Matrix*.
- 5.2 Other than items listed in *Schedule "B" – Exemptions*, a Purchase Order or other form of contract is required for all purchases greater than \$500.00 prior to the goods being received or services commenced.

- 5.3 If purchases are made after regular business hours, the PO is required to be in place prior to payment.
- 5.4 Purchase Orders of more than \$15,000 will require second level authorization by the Treasurer or designate.
- 5.5 In the absence of the Treasurer or their designate, the Chief Administrative Officer shall act as the authorized designate for the Procurement Policy.
- 5.6 Where a Department Head is authorized to undertake any act pursuant to the Procurement Policy, such act may be undertaken by the Department Head's authorized designate.
- 5.7 Council must first approve any commitments being made where it is required that a contract be executed by the Mayor and Clerk.
- 5.8 The Treasurer, in consultation with the Department Head or Chief Administrative Officer, may remove a vendor's name from the list of bidders for a period of two (2) years based on documented poor performance, non-performance, or conflict of interest. A written notice of the decision will be provided to the vendor by the Treasurer.
- 5.9 The Procurement By-Law does not apply to the sale, acquisition or disposal of Real Property.
- 5.10 Prior to making a purchase, a Staff Report presented by the requisitioning Department is required if any of the following circumstances exist:
  - (1) The lowest acceptable tender is not being recommended.
  - (2) When single source or sole sourcing of an acquisition is to be used.
  - (3) For a non-budgeted expenditure.
- 5.11 In accordance with the Discriminatory Business Practices Act, International Trade Agreements, and the Competition Act, the City does not have a local preference policy.
- 5.12 Wherever practicable, the City will incorporate accessibility criteria and features when procuring goods and services, with an explanation required upon request if it is determined that incorporating accessibility criteria and features cannot be implemented or are not feasible.

- 5.13 Wherever practicable, the City will incorporate energy efficiency into the criteria for procuring goods.
- 5.14 The City may participate in joint procurement initiatives with other entities where such initiatives are determined to be advantageous to the City.
- 5.15 The City may procure goods and services directly through a buying group to which the City has access to, in lieu of conducting an informal competition or formal competition under this policy.

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## **6.0 Restrictions**

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- 6.1 No contract for Goods and Services may be divided into two or more parts to avoid the application of the provisions of this policy.
- 6.2 No personal purchases shall be made by the City directly or indirectly for members of Council or any appointed member of a local board or commission or for any officer or employee of the City.
- 6.3 No Council member, officer or employee of the City or their family shall personally obtain any goods that have been declared surplus unless through a public process.

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## **7.0 Exemptions**

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- 7.1 The purchasing procedures set out in this Policy shall not apply to Goods & Services outlined in *Schedule "B" – Exemptions*, provided that the purchase does not exceed the amount approved in the approved budget.
- 7.2 For exempted items, it is each Department Head's responsibility to make every effort to obtain the lowest possible cost as appropriate.

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## **8.0 Responsibilities and Authorities**

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- 8.1 Where any authority has been granted to any officer or employee of the City pursuant to this policy, such authority may be exercised by the Chief Administrative Officer.

- 8.2 Despite any other provision of this policy, during any period that regular Council meetings are suspended or altered from the regular schedule for any reason, or during the period that the acts of Council are restricted under Section 275 of the Municipal Act, the Chief Administrative Officer shall be authorized to award any contract. A report shall be submitted to Council, as soon as reasonably possible, setting out the details of any contract awarded in this manner.
- 8.3 The Treasurer is responsible for the administration of the Procurement Policy and to continually review the corporate use of goods and/or services to ensure the City is receiving the best value for money.
- 8.4 The Treasurer shall have the authority to establish policies and procedures for the issuance of all Purchase Orders for Goods and Services, for Corporate Purchasing Cards, non-standard items, and consulting and professional services provided that proper authorization has been obtained from Council, and/or the appropriate Department Head, as applicable.
- 8.5 The Treasurer is responsible for the Corporate Credit Card program and relevant procedures.
- 8.6 Each Department Head shall be responsible for and shall have the authority for all procurement activity and decisions within their areas of responsibility.
- 8.7 Each Department Head shall be held directly accountable for any deviation from the procurement policy within their areas of responsibility and will ensure that business transactions are conducted ethically and professionally.
- 8.8 Department Heads, for circumstances in which they will be absent from the office, shall delegate their authority within this policy to such individuals within their department as they consider appropriate. It shall be the Department Head's responsibility to advise the Treasurer in writing with regards to any such delegation of authority.

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## **9.0 Financial Authorization**

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- 9.1 *Schedule "A" – Delegation of Authority for Financial Commitments "Financial Authorization" Matrix* sets out the levels and positions of authorized individuals with delegated authority to approve financial commitments (including for, but not limited to, purchase, payment, and contract requisitions, invoices and other business expenditures), and the limits assigned to each level.

- 9.2 Except as otherwise directed by Council, all Contract awards for expenditures of more than five hundred thousand (\$500,000.00) dollars shall be undertaken through a Contract in a form approved by Council and executed on behalf of the City by its proper signing officers.

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## **10.0 Acquisition Methods**

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- 10.1 Where the acquisition of goods or services has been approved in the City's annual budget, the following procedures shall apply:

### **10.1.1 Purchases Under \$500**

The acquisition of Goods and Services having a value less than five hundred (\$500.00) dollars shall be carried out in accordance with the principles set out in this policy and such other applicable policies and procedures established from time to time. These Procurements may be undertaken using:

- a) Cheque;
- b) Purchase Orders; or
- c) Corporate-issued credit cards.

Purchases shall be made from a competitive market place wherever possible.

### **10.1.2 Purchases between \$500 and \$5,000**

The acquisition of Goods and Services having a value of at least five hundred (\$500.00) dollars but less than five thousand (\$5,000.00) dollars shall be carried out in accordance with the principles set out in this policy and such other applicable policies and procedures established from time to time. These Procurements may be undertaken using:

- a) Purchase Orders.

Purchases shall be made from a competitive market place wherever possible.

Quotations may be received either verbally or in writing.

### 10.1.3 Purchases between \$5,000 and \$50,000

Goods and Services with an estimated value of at least five thousand (\$5,000.00) dollars but less than fifty thousand (\$50,000.00) dollars may be purchased through a Request for Quotation process.

At least three (3) written quotations shall be solicited by the Department Head.

### 10.1.4 Purchases at \$50,000 or More

Goods and Services with an estimated value of at least fifty thousand (\$50,000.00) dollars shall be procured using either a Request for Proposal process or a Tender process.

#### 10.1.4.1 Tenders/Request for Proposals

- a) The requisitioning department shall initiate the procurement process by preparing the required documents.
- b) The requisitioning department shall be responsible for the preparation and approval of all specifications to be used in the acquisition of such goods and services.
- c) Bid bonds and performance and labour bonding are required for all purchases over \$100,000.00. Purchases of lesser value may include bonding requirements such as security deposits as determined by the Department Head if it is deemed in the best interest of the City.
- d) Tenders/RFP are to be advertised on the City of Dryden website and may be advertised in local/regional newspapers, through electronic advertising, or sent directly to known vendors, as appropriate.
- e) In some instances, the Tender/RFP may be advertised to pre-qualify bidders/proponents. Pre-qualification of bidders/proponents includes the screening of potential vendors in which such factors as financial capability, reputation, qualified staff; equipment management and product quality are considered. After an evaluation of the responses, only those bidders/proponents who are "pre-qualified" can submit bids/proposals.
- f) The Department Head shall send a draft advertisement for the Tender/RFP and associated documents to the Chief Administrative Officer/Treasurer for review, to ensure that all provisions other than specifications have been included in the proper format.

- g) All bid/proposal submissions shall be clearly addressed to the City Clerk, 30 Van Horne Avenue, Dryden, Ontario, P8N 2A7, and returned in a sealed envelope.
- h) The City Clerk's office shall receive all sealed bid/proposal submissions and mark with a date and time-stamped receipt.
- i) Requests for the withdrawal of a bid/proposal shall be allowed if the request is made before the closing deadline for the Tender/RFP to which it applies. All requests to withdraw shall be made to the City Clerk by letter or in person, by a representative of the company, with a signed withdrawal letter confirming the details. Telephone requests will not be considered. The withdrawal of the bid/proposal does not disqualify a bidder from submitting another bid on the same contract.
- j) When in the opinion of the City it is advisable to cancel a Tender/RFP call, an advertisement shall be inserted in the same media originally used stating that the Tender/RFP has been cancelled, the reason for such cancellation and whether the Tender/RFP will be recalled. Vendors who are registered with the City shall be notified in writing of the cancellation of the Tender/RFP and all Bids/Proposals received shall be returned unopened to the bidder.
- k) Bids/Proposals received by the City Clerk's office shall be opened by the City Clerk or designate at the time and location specified in the Tender/RFP. The names and proponents of the bids/proposals shall be read out. The prices contained in bids only, where appropriate in the discretion of the City Clerk, shall also be read out. The prices contained in Request for Proposals shall not be read out. All bidders/Proponents and other interested members of the public shall be entitled to be present when the information is read out.
- l) The City Clerk or designate shall record and maintain a record of each Tender opening and distribute as appropriate.
- m) Tenders/Request for Proposals shall be tabulated and evaluated by the requisitioning Department.
- n) Each Tender/Request for Proposal shall be reviewed to determine whether a bid irregularity exists, and action shall be taken according to the nature of the irregularity as set out in *Schedule "C" – Bid Irregularities*.
- o) The Department Head, a Solicitor, and/or the Treasurer shall be responsible for all actions taken in dealing with bid irregularities and acts in accordance with the nature of the irregularity.

- p) If a vendor withdraws their bid due to the identification of a major irregularity, the City may disqualify such vendor from participating in City Quotations/Tenders/Requests for Proposals for a period of up to one (1) year.
- q) A Staff Report may be required to be prepared for Council consideration and approval of the Tender by the requisitioning Department Head based on the provisions of *Schedule "A" – Delegation of Authority for Financial Commitments "Financial Authorization" Matrix*.

## 10.2 Council Approval

Despite any other provision of this policy, a Staff Report shall be submitted to Council prior to authorizing an award in each of the following circumstances:

- a) Any contract where the total acquisition cost is greater than the Council approved budgets.
- b) Any contract where the total acquisition cost exceeds the authority limits as outlined in *Schedule "A" – Delegation of Authority for Financial Commitments "Financial Authorization" Matrix*.
- c) Any contract, awarded through a Tender, where the award is not proposed to be made to the bidder with the lowest compliant bid or where an irregularity precludes the award of a contract to the supplier submitting the lowest compliant bid.
- d) Any contract where a good, service or construction is available from only one source of supply and the total acquisition cost of such good, service or construction exceeds \$50,000; or where a bid solicitation has been restricted to a single source of supply because standardization or compatibility is the overriding consideration.

## 10.3 Use of Negotiation for Goods and Services Less than \$50,000

Despite any other provisions of this Policy, in circumstances set out in this Section, the requisitioning Department Head may wish to negotiate with one or more potential suppliers for acquiring Goods and Services valued at fifty thousand (\$50,000.00) dollars or less. In that case, the Department Head shall consult with the Chief Administrative Officer who may then enter negotiations with one or more vendors for the supply of Goods and Services when any of the following conditions exist:

- a) Due to market conditions, Goods and Services are in short supply;

- b) It is a Sole Source circumstance (including circumstances where only one Bidder submitted an acceptable Bid);
- c) All acceptable Tender Bids exceed the amount budgeted for the Goods and Services and the lowest Tender Bid is within twenty (20%) percent of budget;
- d) Market research indicates that the extension or reinstatement of an existing Contract would be more cost-effective or beneficial to the Corporation; or
- e) A Single Source is being recommended because it is more cost-effective or is otherwise more beneficial.

#### 10.4 Negotiation Method for Goods and Services Valued at More than \$50,000

In circumstances where Section 10.3 would have applied had the value of Goods and Services been fifty thousand (\$50,000.00) dollars or less, but the estimated value exceeds that, this Section applies. Despite any other provisions of this Policy, the requisitioning Department Head shall consult with the Chief Administrative Officer to determine if there is suitable merit for the use of the Negotiation Method for the purchase of Goods and Services valued at greater than fifty thousand (\$50,000.00) dollars. If it is determined that the Negotiation Method is suitable, the requisitioning Department Head shall prepare and submit a Staff Report to Council communicating that the use of this method was used prior to making any Contract award.

#### 10.5 Lease Financing

In certain circumstances, it may be economically advisable for the City to enter a financing lease to acquire the rights to use capital property and equipment rather than an outright purchase. The cumulative value over the life of the lease commitment will dictate the required authorization as per *Schedule "A" – Delegation of Authority for Financial Commitments "Financial Authorization" Matrix*.

#### 10.6 Expenditures Before the Passing of the Budget

For the purposes of this policy, prior to the approval of the municipal budgets, Department Heads shall have the authority, within the guidelines as outlined in this policy, to expend up to ninety percent (90%) of the previous year's approved operating budget. All items either capital in nature or budgeted as unusual spending through the capital budget process, must receive Council approval prior to the approval of the municipal capital budget.

## 10.7 Guarantee of Contract Execution and Performance

10.7.1 As determined appropriate through consultation between the Department Head, CAO and Treasurer, the City may require that a Bid/Proposal be accompanied by a Bid Bond or other similar security to guarantee entry into a Contract.

10.7.2 Prior to the commencement of the work, the successful Bidder/Proponent may be required to provide the following security in addition to the security referred to in 10.7.1:

- 1) A performance bond to guarantee the performance of a Contract;
- 2) A payment bond to guarantee the payment of labour and materials to be supplied in connection with the contract.
- 3) The bidder/proponent 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 City.
- 4) Prior to the commencement of work, evidence of insurance coverage satisfactory to the City must be obtained, ensuring indemnification of the City from all claims, demands, losses, costs or damages resulting from the performance of a Bidder's obligations under the contract and from any other risk determined by the City as requiring coverage.
- 5) All successful bidders/proponents performing work on City property shall provide evidence from the Workplace Safety and Insurance Board showing all premiums or levies have been paid to the WSIB to the date of payment to be eligible for specified works.

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## 11.0 Emergency Procurement

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11.1 Despite any other provision of this policy, in cases of emergency, as determined by the Chief Administrative Officer, the purchase of goods, services or construction may be authorized without issuing a Request for Proposal process or a Tender process.

11.2 Where the emergency falls within the scope of the City's Emergency Plan, the terms of that By-law shall apply.

- 11.3 The Department Head shall, as far as is feasible, obtain the lowest price for supplies and services that are necessary to prevent serious delays, further damage or greater harm.
- 11.4 The Chief Administrative Officer will send an email briefing to Council at the time the emergency is determined and the Department Head responsible shall report said purchase in writing at the next meeting of Council, identifying the proposed sources of funding.

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## **12.0 Disposal of Surplus Goods**

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- 12.1 The Department Head is responsible for the disposal of all surplus City assets, exclusive of real estate.
- 12.2 The Department Head shall circulate a list of surplus goods available to all Departments, prior to the sale or disposition of such items. Distribution of surplus goods to other Departments shall be at no charge.
- 12.3 The method of disposal used on a surplus item will be that which results in the best overall benefit to the Corporation. Disposal methods include:
- 1) Scrap, dismantle or destroy, classify as waste and dispose;
  - 2) Transfer to another department, committee or program for use within the Corporation;
  - 3) Donate to an external non-profit or charitable organization, with CAO approval;
  - 4) Trade-in, and/or return to the supplier for credit;
  - 5) Invite public or selective quotations; or
  - 6) Undertake a public auction.
- 12.4 Revenue generated from the sale of surplus goods shall be credited to the appropriate department's operating revenue.

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## **13.0 Conflict of Interest**

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- 13.1 No elected official, appointed officer or employee of the City shall have any pecuniary or controlling interest either direct or indirect in any competitive bid or contract for the supply of goods or services to the City, unless such pecuniary interest is disclosed by the contractor, bidder, or person submitting a quotation,

as the case may be, or unless such pecuniary interest would be exempt under the *Municipal Conflict of Interest Act*.

- 13.2 Competitive bid documents shall include a section that requires and provides for the disclosure of any pecuniary interest prior to submission of the bid. Should a conflict of interest arise after the award of a contract, the conflict shall immediately be disclosed in writing to the Chief Administrative Officer (CAO). Further, all competitive bid documents and agreements shall provide that if a contract is awarded to a person who has not, during the bidding or contracting process, disclosed the pecuniary interest of an elected official, appointed officer or employee of the City in the contract, the contract may be cancelled at any time by the City in its entire discretion without damages or penalty.
  - 13.3 Goods and Services are considered to have been purchased “indirectly” from an elected official, appointed officer or employee of the City if they are purchased from a parent, spouse, sibling or child of that individual, or from a company owned or controlled by that individual or by a parent, spouse, sibling or child of that individual, in any case whether or not the benefit is ever transferred to the elected official, appointed officer or employee of the City.
  - 13.4 When a supply contract requiring Council approval is to be awarded to an elected official, appointed officer or employee of the City, either directly or indirectly, a staff report is to be presented to City Council clearly indicating the disclosed pecuniary interest without identifying the individual (where appropriate).
  - 13.5 Excluding business meals, and promotional items (pens, calendars, notepads, hats, etc.) valued under \$25, the acceptance of gifts, benefits, money, discounts, favours or other assistance by any City employee or member of Council, whether directly or indirectly, from potential suppliers to the City is prohibited. The image and integrity of the City, and its staff and elected officials, must always be preserved. Everyone involved in the purchasing process shall abide by relevant conflict of interest policies and codes of ethical conduct. For clarification, favours are considered to be bestowed “indirectly” to a City employee or member of Council if it is bestowed upon a parent, spouse, sibling or child of that individual, or upon a company owned or controlled by that individual, or by a parent, spouse, sibling or child of that individual, in any case whether or not the benefit is ever transferred to the employee or member of Council. Accordingly, acceptance of gifts, benefits, money, discounts, favours or other assistance by those individuals and companies is also prohibited.
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## 14.0 Confidentiality and Access to Information

- 14.1 The disclosure of information contained in a Bid/Proposal or Agreement shall be made by the appropriate officers of the City in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) and any other applicable legislation. If a Bidder/Proponent considers any part of their Bid/Proposal proprietary, the Bidder/Proponent shall clearly mark such page or section of the Bid/Proposal as confidential. This procedure will not automatically protect the information from release but will assist the City in deciding on release if a request is made under MFIPPA.

## 15.0 Policy Review

- 15.1 At minimum, this Policy shall be reviewed and evaluated for effectiveness prior to the end of each Council term, and any amendment thereto shall be made prior to the inaugural meeting of the next Council. The review shall determine how effective this policy has been in achieving the objectives as set out under the Purpose section of this policy as well as the requirements of the Municipal Act, as amended.

| History                |               |                     |                                                    |
|------------------------|---------------|---------------------|----------------------------------------------------|
| <b>Approval Date:</b>  | July 22, 2019 | <b>Approved by:</b> | By-law 4658-2019                                   |
| <b>Amendment Date:</b> | Dec. 9, 2019  | <b>Approved by:</b> | Steven Lansdell-Roll, Treasurer (on behalf of CAO) |
| <b>Amendment Date:</b> | August 2023   | <b>Approved by:</b> | By-law 2023-50                                     |
| <b>Amendment Date:</b> | August 2024   | <b>Approved by:</b> | CAO                                                |
| <b>Amendment Date:</b> |               | <b>Approved by:</b> |                                                    |
| <b>Amendment Date:</b> |               | <b>Approved by:</b> |                                                    |



## Schedule "A" - Delegation of Authority for Financial Commitments "Financial Authorization" Matrix

Purpose - This matrix sets out the levels and positions of authorized individuals with delegated authority to approve financial commitments (including for, but not limited to, purchase, payment, and contract requisitions, invoices and other business expenditures), and the limits assigned to each level

| Level | Title<br>(Note 1)             | Operating Expenditures*                                                                                                          |                                                                  | Travel*<br>(Note 2) |                  |                                        |                                                   |                               | Consultant Expenses*                                                                                    | Capital*                                          |                                                                         |
|-------|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|---------------------|------------------|----------------------------------------|---------------------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------------------------------------|
|       |                               | Operating Expenditures<br>(Purchase or Payment<br>Requisition, or Request for a<br>Contract)<br>Invoices for Goods &<br>Services |                                                                  | Within<br>Ontario   | Within<br>Canada | United<br>States<br>(pre-<br>approval) | Outside<br>North<br>America<br>(pre-<br>approval) | Hospitali-<br>ty &<br>Hosting | Requests for<br>Engagement for<br>Consulting/Professio-<br>nal<br>Services<br>(Contract<br>Requisition) | Capital Projects                                  | Request to<br>Engage<br>Capital<br>Management<br>Project<br>Consultants |
|       |                               | One Time<br>Requirement<br>(invoice amount) or 1<br>year<br>Contract Commitment                                                  | Multi-year<br>Requirement<br>(Cumulative Value of<br>Commitment) |                     |                  |                                        |                                                   |                               |                                                                                                         | Cumulative<br>Value<br>over life of<br>Commitment |                                                                         |
| 1     | Council                       | >500,000                                                                                                                         | >1,000,000                                                       | >5,000              | >5,000           | >5,000                                 | >0                                                | >5,000                        | >100,000                                                                                                | >500,000                                          | >50,000                                                                 |
| 2     | Chief Administrative Officer  | 500,000                                                                                                                          | 1,000,000                                                        | 5,000               | 5,000            | 5,000                                  | No Authority                                      | 5,000                         | 100,000                                                                                                 | 500,000                                           | 50,000                                                                  |
| 3     | Department Head or equivalent | 100,000                                                                                                                          | 200,000                                                          | 2,500               | No Authority     | No Authority                           | No Authority                                      | 2,500                         | 50,000                                                                                                  | 100,000                                           | 25,000                                                                  |
| 4     | Manager or equivalent         | 25,000                                                                                                                           | 50,000                                                           | 750                 | No Authority     | No Authority                           | No Authority                                      | No Authority                  | 15,000                                                                                                  | 25,000                                            | No Authority                                                            |
| 5     | Supervisor/Coordinator        | 5,000                                                                                                                            | 10,000                                                           | No Authority        | No Authority     | No Authority                           | No Authority                                      | No Authority                  | No Authority                                                                                            | No Authority                                      | No Authority                                                            |
| 6     | 6                             | 500                                                                                                                              | 1,000                                                            | No Authority        | No Authority     | No Authority                           | No Authority                                      | No Authority                  | No Authority                                                                                            | No Authority                                      | No Authority                                                            |
| 0     | 0                             | No Authority                                                                                                                     | No Authority                                                     | No Authority        | No Authority     | No Authority                           | No Authority                                      | No Authority                  | No Authority                                                                                            | No Authority                                      | No Authority                                                            |

\*All transactions must be within an approved budget

### Notes:

Note 1: Positions delegated level 6 authority are to be approved by the CAO and included on a Financial Exception Authorization list

Note 2: Travel expenses must be in accordance with the Corporate Travel Policy

### Definitions:

**Capital Management Project Consultant** means an architect, engineer, or a construction or design-related consultant retained by the City of Dryden to perform services for construction or design-related projects

**Contract Requisition** includes a business case, briefing note, feasibility study, or other documentation which demonstrates the need for a requirement

**Manager or equivalent** includes Airport Manager, Chief Building Official, IT Manager, Librarian, Waterworks Manager, Public Works Operations Manager, Deputy Fire Chief, and Deputy Treasurer

**Multi-year Requirement** means a purchase or contract requisition which will result in a contract greater than 12 months in length

**One-time Requirement** means a single invoice, payment requisition, or a contract requisition which results in a contract less than or equal to 12 months

**Department Head or equivalent** includes City Clerk, Treasurer, Director of Community Services, Director of Public Works, Director of Human Resource Manager, and Fire Chief

**Supervisor/Coordinator** includes Health & Safety Coordinator, Pool & Fitness Supervisor, Museum Curator, Fleet Lead Hand, Economic Development Officer, Aaron Park Supervisor, Stores Keeper, and POA Lead

## **SCHEDULE "B" – Exemptions**

### **A. Training and Education:**

- (1) Conferences;
- (2) Courses;
- (3) Conventions;
- (4) Memberships;
- (5) Seminars;
- (6) Periodicals/Magazines/Subscriptions; and,
- (7) Staff Training/Development/Workshops.

### **B. Refundable Employee/Council Expenses:**

- (1) Advances;
- (2) Meal Allowances;
- (3) Travel Expenses (Hotel, Car Rental, Mileage, etc.);
- (4) Entertainment; and,
- (5) Miscellaneous - Non-Travel.

### **C. City's General Expenses:**

- (1) Payroll Deduction Remittances;
- (2) Health and Dental Expenses;
- (3) Licenses (vehicles, elevators, radios, etc.);
- (4) Debt Payments;
- (5) Insurance Premiums and claims;
- (6) Software Maintenance;
- (7) Grants to Agencies;
- (8) Payments of Damages;
- (9) Tax Remittances;
- (10) Postage and Delivery
- (11) Advertising (Radio, Newspaper, Magazine, etc.);
- (12) Payment required to be made by the City under statutory/legislative authority; and,
- (13) Real Property payments including Land, Buildings, Leasehold Interests, Easements, Encroachments and Licenses, or the like.

### **D. Professional and Special Services:**

- (1) Legal Fees;
- (2) Committee Fees;
- (3) Witness Fees;
- (4) Appraiser Fees;
- (5) Actuarial Fees;
- (6) Interpreter Fees; and,
- (7) Collection Agency Fees.

### **E. Utility Charges:**

- (1) Water;
- (2) Hydro;
- (3) Gas;
- (4) Telephone/Telecommunications; and,
- (5) Cable Television Charges.

### SCHEDULE "C" – Bid Irregularities

Bid Irregularities are further classified as "Major Irregularities" or "Minor Irregularities".

| ITEM | DESCRIPTION                                                                                                                                                                                                                                            | MAJOR | MINOR | ACTION                                                                                           |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------|--------------------------------------------------------------------------------------------------|
| 1    | Late bids (by any amount of time)                                                                                                                                                                                                                      | x     |       | Automatic rejection                                                                              |
| 2    | Bids completed in pencil                                                                                                                                                                                                                               | x     |       | Automatic rejection                                                                              |
| 3    | Bid Bond or similar security not submitted with the bid when the Bid Request (or any addenda) indicated that requirement                                                                                                                               | x     |       | Automatic rejection                                                                              |
| 4    | Execution of Agreement to Bond:<br>a) Bond company corporate seal or equivalent proof of authority to bind company or signature missing<br>b) Bond company not licensed to do business in Ontario                                                      | x     |       | Automatic rejection                                                                              |
| 5    | Execution of Bid Bonds:<br>a) Corporate seal or equivalent proof of authority to bind company or signature of the BIDDER or both missing<br>b) Corporate seal or equivalent proof of authority to bind company or signature of BONDING COMPANY missing | x     |       | Automatic rejection                                                                              |
| 6    | Bid Security - Other:<br>Cheque which has not been certified                                                                                                                                                                                           | x     |       | Automatic rejection                                                                              |
| 7    | Bidders not attending mandatory site meeting                                                                                                                                                                                                           | x     |       | Automatic rejection                                                                              |
| 8    | Unsealed Tender envelopes                                                                                                                                                                                                                              | x     |       | Automatic rejection                                                                              |
| 9    | Proper response envelope or label not used                                                                                                                                                                                                             |       | x     | Acceptable if officially received on time                                                        |
| 10   | Pricing or signature pages missing                                                                                                                                                                                                                     | x     |       | Automatic rejection                                                                              |
| 11   | Insufficient financial security (i.e. no deposit or bid bond or insufficient deposit)                                                                                                                                                                  | x     |       | Where security is required, and amount of security is specified in request, automatic rejection. |
| 12   | Bid received on documents other than those provided in request                                                                                                                                                                                         | x     |       | Not acceptable unless otherwise specified in the request                                         |
| 13   | EXECUTION OF BID DOCUMENT:<br>Proof of authority to bind is missing                                                                                                                                                                                    | x     |       | Automatic rejection                                                                              |
| 14   | Part Bids (all items not bid)                                                                                                                                                                                                                          | x or  | x     | Acceptable unless complete bid has been specified in the request                                 |
| 15   | Bids containing minor clerical errors                                                                                                                                                                                                                  |       | x     | Two (2) working days to correct initial errors. City                                             |

|    |                                                                                                                                      |   |   |                                                                                                            |
|----|--------------------------------------------------------------------------------------------------------------------------------------|---|---|------------------------------------------------------------------------------------------------------------|
|    |                                                                                                                                      |   |   | reserves the right to waive initialing and accept bid                                                      |
| 16 | Uninitialed changes to the request documents which are minor (i.e. the bidder's address is amended by overwriting but not initialed) |   | x | Two (2) working days to initial. City reserves the right to waive initialing and accept bid                |
| 17 | Alternate items bid in whole or in part                                                                                              |   | x | Available for further consideration unless specified otherwise in request                                  |
| 18 | Unit prices in the schedule of prices have been changed but not initialed                                                            |   | x | Two (2) working days to correct initial errors. City reserves the right to waive initialing and accept bid |
| 19 | Other mathematical errors which are not consistent with the unit prices                                                              |   | x | Two (2) working days to initial corrections. Unit prices will govern                                       |
| 20 | Pages requiring completion of information by vendor are missing                                                                      | x |   | Automatic rejection                                                                                        |
| 21 | Bid documents which suggest that the bidder has made a major mistake in calculations or bid                                          |   |   | Consultation with a Solicitor on a case-by-case basis and referenced within the staff report if applicable |

NOTE: the above list of irregularities should not be considered all-inclusive. The Department Head in consultation with the Treasurer will review minor irregularities not listed. The Department Head may then accept the bid, or request that the bidder rectify the deviation.