
Subject: PURCHASING
Scope: ALL MIDDLESEX COUNTY DEPARTMENTS
Issued: April 11, 1995
Revised: March 8, 2005
Reviewed: August 23, 2016 – Middlesex County Council

Purpose:

To ensure The Corporation of the County of Middlesex purchases materials, supplies and services that provide the lowest costs consistent with the required quality and service.

To maximize savings to the taxpayers.

Policy:

This policy applies to all Departments of the Corporation of the County of Middlesex, including the Middlesex County Library Board.

Procedure:

To ensure openness, accountability and transparency while protecting the financial best interest of the Corporation of the County of Middlesex.

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.

PURCHASING POLICY

1. **LEGISLATIVE AUTHORITY**

1.1 In order to meet the requirements of the Municipal Act, 2001, Part VI, Section 271, municipalities and local boards shall adopt a policy with respect to its procurement of goods and services before January 1, 2005. The County currently follows the Purchasing Policy FIN 2.01, which this policy will replace.

1.2 This policy shall address the following items:

- a. The types of procurement processes that shall be used;
- b. The goals to be achieved by using each type of procurement process;
- c. The circumstances under which each type of procurement process shall be used;
- d. The circumstances under which a tendering process is not required;
- e. The circumstances under which in-house bids will be encouraged as part of the tendering process;
- f. How the integrity of each procurement process will be maintained;
- g. How the interests of the municipality or local board, as the case may be, the public and persons participating in the procurement process will be protected;
- h. How and when the procurement process will be reviewed to evaluate their effectiveness; and
- i. Any other prescribed matter.

2. **DEFINITIONS**

For the purposes of this policy:

“Approved Budget” means the annual budget approved by the County of Middlesex and any amendment thereto.

“Blanket Order” means the agreement wherein a vendor will sell certain items to the County of Middlesex for an agreed period of time with established terms and conditions.

“CAO” means the Chief Administrative Officer of the Corporation of the County of Middlesex as appointed by by-law.

“Capital Expenditure” means those expenditures identified by the Council of the Corporation of the County of Middlesex in annual budget estimates in the Capital portion of the budget.

“Committee” means a committee/board as designated by the Council of the Corporation of the County of Middlesex.

“Council” means the Municipal Council of the Corporation of the County of Middlesex.

“County” means the Corporation of the County of Middlesex.

“Department Head” means a head of one of the departments operating within the Corporation of the County of Middlesex, being the CAO, the County Librarian, the Director of Social Services, County Engineer, Director of Emergency Services, the Administrator of Strathmere Lodge, the Treasurer, the Human Resources Officer, the Director of Planning and Economic Development and the Clerk. “Department Head”, where used in this policy, refers to the Department Head or the Purchasing Designate.

“Emergency Purchase” means an unbudgeted purchase made in a situation where immediate action is required to prevent the possible loss of life or property or significant financial loss or environmental impacts.

“Formal Bid” shall mean a sealed bid submission.

“Generic” means that no specific brand or name shall be included as part of the specifications unless such a brand or name is required to identify the intent of a purchase, order or proposal.

“Invoice Approval Stamp” means a stamp prescribed by the Clerk Treasurer to ensure required approvals are applied to an invoice.

“Public opening” shall mean a specified time and place for the opening of bids, which will be identified in the formal request or tender advertisement and will be attended by at least two County staff members and open to the public.

“Purchasing Designate” means a person designated by a Department Head to exercise any or all responsibilities of that Department Head with respect to this by-law. The Department Head must notify the Treasurer in writing of the name(s) of the Purchasing Designate(s) within their Department.

“Quotation” means a written offer to sell or a “bid” obtained from selected suppliers to supply stipulated goods or services at a particular price.

“Services” means items such as telephone, gas, water, hydro, janitorial and cleaning services, consultant services, legal surveys, medical and related services, insurance, leases for grounds, buildings, office or other space required by the Corporation and the rental, repair or maintenance of equipment, machinery, or other personal and real property.

“Small Order Purchases” means the purchase of goods and services up to an amount not exceeding \$5,000.00.

“Supplies” means goods, wares, merchandise, material and equipment.

“Tender” means a document, which sets out particular specifications for the commodity or service required. This can also refer to an offer in writing to execute some specified work or to provide some specified articles at a specified rate.

“Treasurer” means the Treasurer of the Corporation of the County of Middlesex.

“Vendor” shall mean any person or enterprise supplying goods or services to the Corporation of the County of Middlesex.

3. AUTHORITY AND RESPONSIBILITIES

- 3.1 The Council of the Corporation of the County of Middlesex has ultimate authority for all expenditures. Council delegates this authority by the authorization of budgets or by specific resolution. The Treasurer cannot pay for any item that has not been authorized by Council through budget appropriation or specific resolution.
- 3.2 Resolutions approving budget amendments, capital expenditures or special appropriations shall reference the purpose of the expenditure, cost estimates or expenditure limitation, as well as the fund in which the appropriation has been provided. Staff reports recommending budget amendments, capital expenditures or special appropriations shall be approved by the relevant Department Head prior to presentation to Council.
- 3.3 The Department Head shall be responsible for approval of accounts within the approved budget for their Department or any amendment to same as approved by Council. The Department Head may appoint a Purchasing Designate to exercise any or all responsibilities assigned to that Department Head by this Purchasing Policy. It is the Department Head’s responsibility to notify the Treasurer in writing regarding the name of the Purchasing Designate.

PROCEDURES

4. PURCHASING PROCEDURES

4.1 A Department Head is hereby authorized to make Small Order Purchases 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.

Bid documents and specifications (as applicable) can be issued and received by e-mail and/or fax transmission at the using Department location. The bid details are to be maintained in accordance with the Retention Bylaw.

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.

4.4 Notwithstanding the above, adherence to this Purchasing Policy is not required with respect to those items listed below, or to a transaction specifically authorized by resolution of Council to be exempt from this tendering policy.

Purchases for consulting services for a program where services (i.e. bridge inspection/evaluation) have been awarded to a consulting firm on an on-going basis, where clearly identified in the budget.

Purchases for the supply and placement of road material throughout the County of Middlesex in excess of \$100,000.00 but not to exceed \$200,000.00 when clearly identified in the budget.

Purchases of replacement parts, where the original equipment manufacturer is the sole provider of that equipment.

A single source supply is in excess of \$5,000.00 requires Committee approval. Where the single source supply is required to meet provincial standards, committee approval is not required.

- 4.5 A Department Head shall ensure that unspecified capital expenditures in an amount exceeding \$10,000.00 in the annual estimates receive prior Council approval.

5. TENDERING PROCEDURES

- 5.1 The following tendering policy shall apply to the purchase of all types of goods, works and services where the estimated cost is expected to exceed \$50,000.00.

- 5.2 Tenders for widely available goods and services shall be called by public advertisement unless Council directs otherwise. Public advertisement includes daily newspapers, trade papers, weekly newspapers, major metropolitan newspapers, the County's website, or to a recognized electronic tendering system. Where newspaper advertising is not feasible due to time restraints, tender forms shall be mailed to bidders who have recently (one year) tendered on similar work/material.

- 5.2 a) Tenders for specialized goods and services may be called by public advertisement or invitation at the discretion of the Department Head. Vendors shall be selected either through the recommendation of a Consultant employed by the County (in the case of a contract administered by such Consultant) or through demonstrated ability of the Vendor on past projects of similar size and scope. Vendors shall supply no fewer than three (3) references from other municipalities showing performance equal to or exceeding Middlesex County expectations from prior works on similar contracts to the satisfaction of the Department Head. Performance on prior contracts with Middlesex County will be given extra consideration. Vendors not able to provide such references will be excluded from the bidding process.

- 5.3 All Tenders shall include the provision "the lowest or any bid will not necessarily be accepted".

- 5.4 All tenders shall close at 12:00 noon on the date specified in the advertisement and shall be opened at a public tender opening within three (3) hours of closing by the appropriate Department Head or Purchasing Designate and at least one (1) other Department Head and any other person deemed necessary.

-
- 5.5 Only those employees designated by the Department Head to receive tenders shall accept tenders and they shall maintain a record of all incoming tenders noting the date and time that the tender is received.
 - 5.6 A record of the tendered prices will be noted together with the list of tenderers.
 - 5.7 Tenders will be referred to the appropriate Department Head for review.
 - 5.8 A request for information may be required where there is doubt regarding a Company's ability to meet the terms of the tender.
 - 5.9 Tender calls shall require deposits and bonding where a signed contract is used as follows:
 - 5.9.1 Certified cheque, irrevocable letter of credit, or bid bond for an amount not less than \$5,000.00, or more than 10% of the tendered price.
 - 5.9.2 Performance bond, certified cheque, or irrevocable letter of credit in the amount of 100% of the tendered price. This amount may be reduced upon approval received from the appropriate Committee or Council.
 - 5.9.3 The acquisition of major equipment in the Road Department does not require tender deposits, performance or payment bonds.
 - 5.10 Council Approval is not required if all of the following conditions have been met.
 - 5.10.1 The project has been approved in the current year estimates.
 - 5.10.2 The contract is being awarded to the lowest bidder meeting the specifications.
 - 5.10.3 The total value of the tender is less than \$100,000.00 per year.
 - 5.10.4 There are no Senior Government requirements for Council approval of a tender.
 - 5.11 The Department Head shall notify the Clerk or Deputy Clerk in writing of all tenders let and the provisions for receiving such tenders.

6. **BLANKET PURCHASE ORDERS**

- 6.1 Blanket Orders may be issued as necessary following the Tendering or Quotation process as set out in this Policy.
- 6.2 Blanket orders shall be issued for a specific time period and for a stipulated total amount.

7. **REQUEST FOR PROPOSALS**

- 7.1 A Department Head may use a request for proposal in place of a Tender when goods or services cannot be specifically stipulated or when alternative methods are being sought to perform certain functions or services.
- 7.2 In the case of requests for proposals, evaluation criteria may be issued to prospective applicants.
- 7.3 A request for proposal may either be by invitation or by public advertisement at the discretion of the Department Head.

8. **EMERGENCY PURCHASES**

- 8.1 A Department Head is hereby authorized to make Emergency Purchases that exceed \$5,000.00.
- 8.2 A Department Head who has made an Emergency Purchase shall present a report to the appropriate Committee at the meeting immediately following the Emergency Purchase.

9. **PURCHASE BY NEGOTIATION**

- 9.1 A Department Head may, under direction of the Chief Administrative Officer, purchase by negotiating with one or more vendors. In such a case, the requirement for inviting Tenders and Quotations may be waived under the following conditions.
- 9.2 When, due to market conditions and in the judgment of the Department Head, goods are in short supply.
- 9.3 Where there is only one source of supply for the goods and services.

-
- 9.4 Where Small Order Purchases for goods or services are to be obtained by means of a Blanket Order from sole source vendors or suppliers or from retail or wholesale vendors where a Quotation is impractical.
 - 9.5 Where the Department Head has been previously unsuccessful in breaking identical bids and the same goods are then required.
 - 9.6 Where the lowest bid meeting specifications is excessive and it is necessary to reduce the scope of the project.
 - 9.7 Where all bids received fail to meet the specifications and/or tender terms and conditions and it is impractical to recall Tenders or Quotations.
 - 9.8 In respect of any negotiated purchase exceeding \$10,000.00 the Chief Administrative Officer shall review same, and if so advised, shall recommend that Council approve the negotiated purchase at the next scheduled meeting of Council.
 - 9.9 The methods of negotiation shall be those accepted as standard negotiating practice and shall employ fair and ethical practices. The information pertinent to and the results of all such negotiations shall be reported to the Chief Administrative Officer and shall, at his or her direction, be reported to Council.

10. **EXCEPTIONS**

The purchasing methods described in this procurement policy shall not apply to the following goods and services:

- 10.1 Training and education.
- 10.2 Memberships
- 10.3 Reimbursement of Employee and Councillor Expenses
- 10.4 Payroll deductions
- 10.5 Licenses
- 10.6 Debenture payments
- 10.7 Damage claims
- 10.8 Legal fees and other professional services related to litigation or legal matters.

10.9 Utilities

10.10 Benefits paid by the Family and Social Services Department.

11. GENERAL PROVISIONS

11.1 A Department Head may request exemption from any or all of the purchasing methods outlined in this policy by submission of a request to the appropriate Committee and Council. Such exemption may be granted by resolution of Council.

11.2 Neither the CAO nor any Department Head or other employee shall divide, stagger or alter any contract or purchase to avoid any requirements of this policy.

11.3 No employee or elected official of the County shall purchase or offer to purchase on behalf of the County any goods or services except in accordance with the policy.

11.4 No personal purchases shall be made by the County for elected officials or employees.

11.5 The CAO and Department Heads shall ensure that in all purchases, price and past performance shall be the prime selection criteria provided all specifications are met. Such specifications are to be generic or "as equivalent". All factors influencing the purchasing decision are to be included in the specifications.

11.6 Each Department Head or the Purchasing Designate shall ensure that, in respect of his or her department, all invoices and accounts from vendors shall be authorized, in accordance with this policy, prior to payment. Authorization in the form of signatures of the Department Head and staff denoting clerical accuracy, budgetary or specific resolution approval and indication that goods and services were received in good order must be in place. These required signatures are deemed to authorize payment.

11.7 Between the last regular meeting of Council in any year and the adoption of estimates for the next year, the Treasurer is authorized to pay the accounts of any ordinary business transactions of the County that are required to maintain services. This shall include the payment of accounts or previously approved capital items and projects.

11.8 After the adoption of estimates, the Treasurer is authorized to pay the accounts approved by the appropriate Department Head and to pay contract accounts upon receipt of evidence of value received and which is approved by the appropriate Department Head.

11.9 The Department Head shall ensure that any estimated or actual over expenditure of a department's facility, program or capital budget will be reported to the appropriate Committee.

12. **CO-OPERATIVE PURCHASING**

12.1 The Council may authorize participation with other municipalities, municipal agencies or public authorities in co-operative purchase ventures when the best interest of the County of Middlesex will be served.

12.2 In the event that participation in a co-operative purchase venture does not comply with the County's purchasing policy, Council shall authorize participation in the purchase venture.

13. **CONSULTANTS**

13.1 A Department Head will recommend to the Committee the hiring of any consulting firm in excess of \$5,000.00.

14. **ON-GOING SERVICES AND CONTRACTS**

14.1 This Section is intended to deal with on-going services and contracts the County has with various suppliers. Examples the following:

Audit Services

Banking Services

Food Management Services

Provision of Property and Liability Insurance

Employee Benefits

Maintenance and Cleaning Contracts

Traffic Signal Maintenance

Counseling and Employment Assistant Services

-
- 14.2 Some of the above services have annual renewals, and at the time of renewal, the Department Head may recommend to their Committee that the services be tendered or that quotations be obtained.
- 14.3 In the event, that the service does not have an annual renewal, the Department Head shall, at least every three years, or sooner if necessary, recommend to their Committee that the service be continued, or that it be tendered or quotations obtained.
15. **OCCUPATIONAL HEALTH AND SAFETY**
- 15.1 Successful tenderers and bidders who will be supplying a service to the County, where the work is performed in or around a building owned by the County, shall, before proceeding, receive an AGREEMENT OF COMPLIANCE FOR CONTRACTORS AND SUB-CONTRACTORS and sign the required COMPLIANCE LETTER, a sample of which is attached.(see Schedule “A”)
- 15.2 Successful tenderers and bidders who will be supplying a service to the County on road allowances, shall, before proceeding, sign the Form of Tender, a sample of which is attached. (see Schedule “B”)



SCHEDULE "A"

COUNTY OF MIDDLESEX

AGREEMENT OF COMPLIANCE

FOR CONTRACTORS AND SUB-CONTRACTORS

Date: _____

Dear

The Corporation of the County of Middlesex is committed to the ongoing objective of protecting our employees and property from accidental injury, loss and occupational disease in compliance with all legislative requirements.

In fulfilling this commitment, we shall make every effort to promote and to provide safe and healthy work environments and attitudes.

We wish to emphasize to all Contractors and Sub-contractors performing work on our property, that we expect the same commitment and attitude. All work is to be conducted in conformity with the Occupational Health and Safety Act and any other legislation or regulations.

The following information is required to assist us in evaluating your safety performance:

- A signed acknowledgement of this letter; and
- A copy of your WSIB number.

The Occupational Health and Safety Act describes the responsibilities of workers and employers. We require those Contractors and Sub-contractors maintain procedures, worker training and enforcement to ensure these responsibilities are carried out on our property.

Willful violation of this Policy by any Contractor or Sub-contractor or employee(s) "may be considered cause for discipline or dismissal from our premises." Repeated failure to comply when instructed by a Middlesex County Supervisor or designate may be considered a breach of contract.

Please complete the attached form and return it to the Corporation of the County of Middlesex with the requested information.

Yours truly,



ACKNOWLEDGEMENT OF HEALTH AND SAFETY

COMPLIANCE LETTER

COMPANY:

AUTHORIZED SIGNING OFFICER: _____

TITLE: _____

DATE: _____

I/we are in good standing with WSIB and our employees, contractors and sub-contractors are covered under WSIB. I/we confirm that a minimum of \$_____ liability insurance is on equipment and that all equipment meets the regulated safety standards as per the Occupational Health and Safety Act/CSA Standards.

I/we confirm that our work on Middlesex County property shall be carried out in a manner that is in conformity with the Occupational Health and Safety Act and other legislation or requirements. I/we will ensure that all employees are instructed as to the requirements under the aforementioned legislation.

I/we agree to comply with all directions of the County Supervisor or Designate with respect to Health and Safety. I/we understand that failure to comply with such direction will be cause for dismissal from the premises.

Dated this _____ day of _____, 20__

Owner/Contractor _____

Witness _____

SCHEDULE "B"

COUNTY OF MIDDLESEX

CONTRACT NO.

FORM OF TENDER

To the County of Middlesex:

I/we _____ having examined the site of the works, General Conditions of Contract, Specifications, Information to Bidders and Schedule of Unit Prices, hereby offer to furnish all materials and perform all work necessary in accordance with above mentioned documents and attached addenda, if any, to the said documents for the unit prices shown on the following Schedule of Unit Prices.

I/we further agree to any additions or deductions in the extent of the work at the unit prices above mentioned within the area specified as may be deemed necessary by the County and the Engineer. Also, we understand that Section "B" may be cancelled and agree that no claims will be submitted as result of such cancellation.

I/we agree that if awarded this contract, all work will be carried out in a manner that is in conformity with the Occupational Health and Safety Act, Regulations for Construction Projects and any other legislation or regulations. We will ensure that all of our employees, sub-contractors, and sub-contractors' employees are instructed as to their requirements under the aforementioned legislation.

Enclosed is a deposit in the form of a certified cheque or bid bond in the amount of \$_____. It is understood that if the Tenderer withdraws this tender before the County shall have awarded the Contract, the amount of this deposit may be forfeited to the County of Middlesex.

The Tenderer agrees to execute an agreement and supply copies of the necessary Bond(s) within seven days of being notified by the County.

It is further agreed that the Tenderer will begin work within 10 (ten) days of being notified that the work may proceed and will, subject to liquidated damages, complete the work within the time limits specified.

SCHEDULE "C"



ACCESSIBILITY REGULATIONS FOR CONTRACTED SERVICES

In accordance with the Ontario Regulation 429/07, Accessibility Standards for Customer Service and Ontario Regulation 191/11, the Integrated Accessibility Standards Regulation, the County of Middlesex is required to train all third parties or persons who provide goods, services or facilities on behalf of the organization.

Contracted employees, third party employees, agents and others who deal with members of the public on behalf of the County of Middlesex must meet requirements of Ontario Regulation 429/07 and Ontario Regulation 191/11 with regard to training.

Training for the aforementioned regulations can be accessed online at the following website addresses:

- [Serve-Ability: Transforming Ontario's Customer Service](http://www.mcsc.gov.on.ca/en/serve-ability/index.aspx) or <http://www.mcsc.gov.on.ca/en/serve-ability/index.aspx>
- [Access Forward: Training for an Accessible Ontario](http://www.accessforward.ca) or www.accessforward.ca
- [Ontario Human Rights Code](http://www.ohrc.on.ca/en/learning/working-together-ontario-human-rights-code-and-accessibility-ontarians-disabilities-act) or <http://www.ohrc.on.ca/en/learning/working-together-ontario-human-rights-code-and-accessibility-ontarians-disabilities-act>

Contracted services suppliers are to ensure that training records are maintained, including dates when training is provided, the number of personnel who received training and individual training records. The suppliers are to ensure that this information is available to the County of Middlesex any time during the Term of the Contract.



Finance Policy 2.01

I acknowledge the aforementioned accessibility regulations:

Company Name: _____ Date: _____

Authorized Official: _____

Signature

: _____

Print Name

Title

Attached: Middlesex County Accessibility Policy