

CORPORATION OF THE TOWN OF HEARST



Procurement Policies and Procedures

(January 2016)

INTERPRETATION

In this Policy, the following definitions shall prevail:

1. **Award** means authorization to proceed with the purchase of goods and/or services from a chosen vendor;
2. **Bid** means an offer or submission from a supplier in response to a bid solicitation;
3. **Contract** means a binding agreement by way of a Purchase Order or a formal agreement between two or more parties that creates an obligation;
4. **Council** means the Council of the Corporation of the Town of Hearst;
5. **Department Head** means the person responsible for operational control of a Municipal Department, or authorized designate;
6. **Disposal** means the removal of materials owned by the Town by sale, trade-in, auction, alternative, gift, or destruction;
7. **Goods and/or Services** includes supplies, equipment, property insurance, maintenance, professional and consulting services and service contracts not otherwise provided for;
8. **Lowest responsive bid** or lowest responsive tender means the bid or tender that would provide the Town with the desired goods and/or services at the lowest cost, meets all the specifications and contains no major irregularity;
9. **Procure/Procurement/Purchase** means the acquisition by purchase, rental or lease of goods and/services;
10. **Purchase Order** means a written offer to a vendor stating all terms and conditions for the purchase of goods and services;
11. **Responsive and Responsible Vendor** means one who complies with the provisions of the bid solicitation, including specifications, contractual terms and conditions, and who can reasonably be expected to provide satisfactory performance on the proposed contract based on reputation or references or performance on previous contracts, and adequate financial and other resources;

12. **Surety** means a specified dollar amount in the form of cash, certified cheque, bid bond, performance bond, labour and materials bond, letter of credit or any other form as deemed necessary and stated in any quotation, tender or proposal documents issued by the Town;
13. **Tender** means an offer received from a supplier of goods and/or services in response to a public advertisement requesting tenders;
14. **Town** means the Corporation of the Town of Hearst; and
15. **Verbal Quotation** means the user Department will receive pricing via telephone or in person, and will document the information on the Purchase Order.

For the purpose of this policy, the aforementioned definitions and interpretations shall govern. Words used in the present tense shall include the future, words used in singular number shall include the plural and vice versa. Words in the masculine gender shall also include the feminine gender and corporate entities.

PROCUREMENT PRINCIPLES AND GOALS

The purchasing principles of the Corporation of the Town of Hearst are as follows:

1. to procure by purchase, rental or lease the required quality and quantity of goods and/or services, including professional and consulting services in an efficient, timely and cost effective manner;
2. to encourage open competitive bidding for the acquisition and disposal of goods and services where practicable;
3. to consider all costs, including, but not limited to, acquisition, operating, training, maintenance, quality, warranty, payment terms, disposal value and disposal costs, in evaluation bid submissions from qualified, responsive and responsible vendors;
4. to give full consideration to the annual aggregate value or to consider the total project cost of specific goods and services that will be required by each department and the Town as a whole prior to determining the appropriate acquisition method;
5. to control all purchasing, rental or lease through the Finance Department;
6. to monitor and report on the economic climate and legislative changes which may have an impact on the Town of Hearst and to determine the appropriate actions to be taken through purchasing policies and procedures;

This Policy will be reviewed to evaluate its effectiveness every 5 years or earlier, as may be required.

GENERAL CONDITIONS

1. The Council of the Corporation of the Town of Hearst has ultimate authority for all expenditures and procurement commitments. Council delegates this authority by the adoption of budgets or by specific resolutions.
2. Further to the adoption of the budget or specific resolutions, the Treasurer shall be responsible for the Town's purchasing function. In his absence, the Chief Administrative Officer shall act in his stead.
3. Where a Department Head is authorized to undertake any action pursuant to this Policy, such action may be undertaken by the Department Head's authorized designate.
4. Where it is recommended that a contract or an agreement for the provision of goods and/or services be executed by the Mayor and the Clerk, approval must first be obtained from Council.
5. No expenditure or commitment shall be incurred or made and no account shall be paid by the Town for goods and services, except as approved by Council through the budget process or by specific resolutions or as otherwise authorized in accordance with this policy.
6. When needed, the Treasurer and/or the Chief Administrative Officer will assist in developing evaluation criteria and submission analysis.
7. Prior to awarding any procurement of goods and/or services, the user department will forward recommendations to the Treasurer for final review and comments.
8. No employee or elected official shall purchase or offer to purchase, on behalf of the Town, any goods and services, except in accordance with this Policy.
9. Elected Officials shall not approve nor acquire any goods and services.
10. Any employee who intentionally and knowingly acquires or disposes of any goods and services for the Town in contravention of any section of this Policy, as amended from time to time, shall be subject to disciplinary actions in accordance with Town Policy.
11. Petty cash purchases should only be used when it is not feasible to use the procurement process.
12. No requirement for goods and services shall be divided into two or more parts to avoid the provisions of this Policy.

13. A Department Head shall not award a purchasing commitment where the Treasurer has determined that the provisions of this Policy have not been adhered to and has so advised the Department Head.
14. The Treasurer shall, in conjunction with the Department Head, reject all purchase orders for services where the services could result in the establishment of an employee-employer relationship.
15. Wherever practicable, the Town will incorporate accessibility criteria and features when procuring or acquiring goods, services or facilities. An explanation will be provided upon request if it is determined that incorporating accessibility criteria and features cannot be implemented or are not feasible.
16. Schedules A to D (attached hereto) may be amended by the Treasurer without the requirement of a report to Council, provided such amendments have been approved by the Chief Administrative Officer and amended Schedule(s) has been circulated to affected staff.

REQUIREMENTS FOR APPROVED FUNDS

1. Net Departmental expenditures are authorized by Council each year as part of either the Operating or Capital Budget process. Pending Council's approval of proposed budgetary estimates, Department Heads are authorized to spend up to 30% of the previous year's approved Operating Budget.
2. Department Heads are not authorized to overrun net departmental operating budgets, except in accordance with this Policy.
3. The exercise of authority to award a contract is subject to the identification and availability of sufficient funds in appropriate accounts within the Council-approved Operating or Capital Budget.
4. Where goods and services are routinely purchased or leased on a multi-year basis, the exercise of authority to award a purchasing commitment is subject to:
 - a. the identification and availability of sufficient funds in appropriate accounts for the current year within Council-approved estimates, and
 - b. the requirement for the goods or services to continue to exist in subsequent years and, in the opinion of the Treasurer, the required funding can reasonably be expected to be made available.
5. The Treasurer may reject all purchase orders for which sufficient funds are not available and identified. If the Department Head advises the Treasurer that the deficiency is minimal and alternative funding has been identified, the purchase order may proceed provided appropriate authorizations are met in accordance with this Policy.
6. The Treasurer will coordinate, with the Department Head, all leasing requirements including term capitalization rate, lease vs. buy, or other analysis. The Treasurer will ensure that all lease commitments comply with Municipal Act 2001 as amended and regulations made there under.
7. Where this Policy prescribes financial limits on procurement commitments that may be awarded under the authority of the Treasurer, or provides for financial limits on procurement commitments required to be reported to Council, for the purpose of determining whether the procurement commitment falls within these prescribed limits, the procurement commitment amount shall be the sum of:
 - a. all costs to be paid to the supplier under the purchase order, contract or agreement, excluding all taxes
 - b. less any rebates.

SPECIFICATIONS

1. The Department Head whose budget provides for the procurement of goods and services shall be responsible, in consultation with the Treasurer and any other Town Department, for the preparation and approval of all specifications and/or Terms of Reference to be used for the procurement of such goods and services.
2. Where practical, specifications or Terms of Reference should be detailed but not brand specific, to leave room for potential vendors to provide alternatives in the event an equal or better-proven product or method is available.
3. Vendors or potential vendors should not be requested to expend time, money or effort on design or in developing specifications or otherwise help define a requirement beyond the normal level of service expected from vendors.

When such services are required:

- a. a Purchase Order shall be issued stating the request for design and/or the development of specifications or definition of a requirement;
- b. a fee shall be paid to the vendor for such services to a maximum of four (4) billed hours or \$300, whichever is the least;
- c. the consulting vendor shall be allowed to make an offer for the supply of the goods and services. It shall be noted, however, that the provision of consulting services shall not give said vendor any advantage in the procurement process; and
- d. the detailed specification shall become the property of the Town of Hearst for use in obtaining competitive bids.

STANDARDIZATION

It will be the policy of the Town of Hearst, wherever possible, to standardize the procurement of goods and services in order to:

- a. reduce the number of goods and services required
- b. increase the volume on common items or services
- c. maximize volume buying opportunities
- d. provide economies of scale
- e. reduce handling, training and storage costs
- f. minimize maintenance costs
- g. encourage co-operative purchasing activities
- h. obtain competitive bid results
- i. reduce overall cost

PROCUREMENT DOCUMENTATION

1. In order to maintain consistency, the Treasurer shall provide instructions to Department Heads on procurement policies and procedures and on the structure, format and general content of procurement documentation.
2. The Treasurer shall review procurement documents to ensure clarity, reasonableness and quality, and shall advise the Department Head on suggested improvements.
3. Procurement documents shall avoid the use of specific products or brand names. However, a Department Head may specify a specific product or brand name for essential functionality purposes. In such instances, the Department Head shall manage the procurement to achieve a competitive situation if possible.
4. Department Heads shall:
 - a. give consideration to the need for value analysis comparisons of options or choices,
 - b. ensure that adequate value analyses comparisons are conducted to provide assurance that the specification will provide best value, and
 - c. attach the value analysis to the procurement documentation.

RESPONSIBILITIES AND AUTHORITIES

1. The Department Heads have responsibility for procurement activities within their departments and are accountable for determining and achieving specific objectives as outlined for each procurement project.
2. The Treasurer is responsible for:
 - a. providing procurement advice and services to Department Heads;
 - b. monitoring compliance with this Policy.
3. Department Heads, in consultation with the Treasurer and the CAO, shall inform Council when non-compliance with this policy has occurred.
4. The CAO has the authority to instruct the Department Head not to award a procurement commitment and may direct staff to submit recommendations to Council for approval and may provide additional restrictions concerning procurement, where such action is considered necessary and in the best interests of the Town.
5. The Clerk is required to provide the Treasurer with a copy of all legally executed contracts relating to the procurement of goods and services.
6. Despite any other provision of this Policy, the following contracts are subject to Council approval:
 - a. any contract requiring approval from the Ontario Municipal Board,
 - b. any contract prescribed by Statute to be made by Council,
 - c. where a substantive objection emanating from the bid solicitation has been filed with the CAO,
 - d. where a major irregularity precludes the award of a tender to the supplier submitting the lowest responsive bid,
 - e. where the cost amount proposed for acceptance is substantially higher than the Council-approved budget,
 - f. where the revenue amount proposed for acceptance is substantially lower than the Council-approved budget, and/or
 - g. where authority to approve has not been expressly delegated.

METHODS OF PROCUREMENT

Notwithstanding any other provisions of this Policy, the acquisition of the items listed in Schedule "A" do not fall under the guidelines of the Procurement Policy and shall be subject to applicable Policies and Procedures established from time to time.

1. Procurement of Goods and/or Services

Where the required product or service can be specified, (and such goods are not stocked in the central stores), it shall be acquired by Purchase Order.

Where it is estimated that the value of the goods and services, inclusive of all delivery charges, will cost:

a. Petty cash

The Petty cash will only be used on an exceptional basis for small unexpected cash purchases. Petty cash purchases may not exceed seventy-five dollars (\$75.00) unless approved by the Treasurer.

b. \$0 to \$499

A Purchase Order is necessary but needs not be approved by the Treasurer beforehand provided the expenditure is within the Council-approved budget for that particular expense item.

c. \$500 to \$1,999

The user Department shall obtain at least two (2) quotations, where possible and practicable. All local suppliers will be given the opportunity to submit a price. The quotations may be verbal but must be part of the Procurement Documentation. A Purchase Order is necessary.

d. \$2,000 to \$ 9,999

The user Department shall obtain three (3) written quotations, where possible, using a formal Request for Quotation where practicable or else, an informal Request for Quotation or some other written method adapted to the particular circumstances.
A Purchase Order is necessary.

e. \$ 10,000 to \$49,999

The user Department shall issue a Request for Quotation.

If only one quotation is received, the Town may exercise its right to cancel the call for quotations. Quotations will be formally opened in public in the presence of at least two (2) municipal employees including the Treasurer or his designate. Prices or terms of purchase may be disclosed except that copies of quotations and other documents received from a prospective supplier shall remain confidential.

A report to Council is not necessary unless value of purchase exceeds \$10,000 and is not part of the Council-approved budget. If Council must be informed of the value of the purchase, the CAO or Treasurer will inform members of Council prior to the purchase.

A Purchase Order is necessary.

f. \$50,000 and over

The requisitioning Department Head shall issue a Call for Tender for all approved projects based on defined requirements and tender documents shall be subject to prior approval of the CAO.

Tenders shall require a reply by a designated date and time and be signed by an Officer who is authorized to bind the Corporation. Any requested bid deposits, security or bonds must be included with the submission. Replies shall be delivered directly to the Administration Department and shall be opened at a public meeting. If only one tender is received, the Town, at its sole discretion, shall have the option of not opening the bid and closing the call for tender.

Each sealed bid received in response to a formal bid request shall be reviewed to determine whether a bid irregularity exists and action shall be taken according to the nature of the irregularity (see Schedule "B").

A report initiated by the issuing Department Head shall be prepared for Council's consideration and approval.

Upon Council's approval, a legally binding agreement shall be executed by the Mayor and Clerk, or under special and appropriate circumstances, a purchase order shall be issued.

2. Requests for Proposals (including the engagement of professional and consulting services)

This method of acquisition may be used for any dollar value and involves the solicitation of proposals when the requirements for goods and/services cannot be definitely specified, the requirements of the Town are best described in a general performance specification, and/or innovative solutions are sought. Depending on its terms, the process may involve negotiations subsequent to the submission of proposals on any or all of the specifications, contract terms, and prices.

Evaluation criteria may include factors such as qualification and experience, strategy, approach, methodology, scheduling, past performance, facilities, and equipment. Department Heads are not limited to these factors when evaluating a proposal.

Requests for Proposals shall not be formally opened in public nor is it necessary to disclose prices or terms at the time submission. If only one proposal is received, the Town, at its sole discretion, has the option of not opening the bid and closing the call for proposal.

Where the required goods or services cannot be specified and it is estimated that the value of the goods and services (excluding all taxes) cost:

a. \$10,000 or less

A written quotation must be acquired by the initiating Department

A Purchase Order must be issued or as deemed advisable, a contract may be executed by the Clerk.

b. \$10,001 to \$49,999

Written quotations shall be advertised through the Request for Proposal (RFP) process and evaluated on the basis of quantitative and qualitative criteria.

A report to Council is necessary and to this end, the CAO or Treasurer may inform members of Council by individual contact.

A Purchase Order must be issued.

A contract may be executed by the Clerk, if deemed necessary.

c. over \$50,000

Written quotations shall be acquired through the Request for Proposal (RFP) process and evaluated on the basis of quantitative and qualitative criteria.

A report to Council is required for Council consideration and approval.

Upon Council's approval, a contract must be executed by the Mayor and Clerk.

3. Expression of Interest (EOI) and/or Request for Pre-Qualification

An EOI may be used where bidders formally indicate their interest in submitting a bid on a product or service.

Invitations shall be advertised publicly and information shall be requested to determine reference checks, past performance, and financial liability. A reply to the Request for Expression of Interest and/or Pre-Qualification shall be required by a designated date and time and submitted to the Clerk's Department. The EOI shall be signed by an Officer authorized to legally bind the Corporation.

Submissions will be reviewed and subsequently, a Request for Quotation or Tender may be prepared and forwarded to a short list of pre-qualified bidders.

4. Exceptions to Methods of Acquisition

a. Volatile Market Conditions

Notwithstanding the provisions of the Policy, where market conditions are such that long term price protection cannot be obtained for goods and services, the user Department will obtain competitive prices for short term commitments until such time, as reasonable price protection and firm market pricing are restored.

b. Sole Source Procurement

Purchase by negotiation may be adopted, if in the judgement of the requisitioning Department Head in consultation with the CAO any of the following conditions apply:

- i goods and services are in short supply due to market conditions
- ii the sources of supply are restricted to the extent that there is not effective price competition, or consideration of substitutes is precluded due to any of the following
 - a) there is no substitute for components or replacement parts,
 - b) a requirement for compatibility with an existing product, facility or service,
 - c) patent rights, copyrights, technical secrets or controls on raw material exist, and/or
 - d) specific standards are adopted by Council;
- iii there is documented evidence that the extension or reinstatement of an existing contract would prove most cost effective or beneficial;

- iv the nature of the requirement is such that it would not be in the public interest to solicit competitive bids as in the case of a security or confidentiality matter;
- v work is required at a location where a contractor has already been secured through a tender process, with established unit prices, by another party and it is considered to be beneficial and cost effective to extend such unit prices to the work to be completed for the Town;
- vi after the RFP process has closed, it may be necessary for discussion with the bidder(s) to clarify and/or make significant revision(s) to the initially defined requirements of the call for quotations/proposals; and/or
- vii when only one bid/proposal is received through the procurement process and it is impractical to recall the requirements of the call for quotations/proposals.

c. Emergency Procurement

Notwithstanding the provisions of this policy, the following shall only apply in case of an emergency, when an event occurs that is determined by the CAO or a Department Head to be:

- a threat to public health,
- the maintenance of essential Town services,
- the safety of persons or of public property or
- the security of the Town's interest and the occurrence requires the immediate delivery or re-establishment of goods or services and time does not permit for competitive bids.

The above criteria are to be applied on the basis of:

i. Procurement under \$499

Wherever feasible, the Department Head or the Treasurer shall secure by the most open procedure and at the lowest obtainable price, any goods and services required.

An information report shall be submitted to the CAO explaining the actions taken and the reason(s) therefor.

A Purchase Order is necessary but need not be approved by the Treasurer beforehand.

ii. Procurement of \$500 to \$10,000

The Department Head shall obtain the prior approval of the CAO.

An information report explaining the actions taken and the reason(s) therefor shall be prepared and kept on file.

A Purchase Order is necessary.

iii. Procurement over \$10,000

Prior approval shall be obtained from Council via a special meeting. An information report shall be submitted to Council at its next regular meeting explaining the actions taken and the reason(s) therefore. A Purchase Order is necessary.

d. Cooperative or Joint Ventures

The Town may participate with other Government agencies or public authorities in cooperative procurement/acquisition ventures or utilize a “piggy-back clause” within public sector contracts, whenever it is determined to be in the best interest of the Town to do so.

e. Unsolicited Proposals

Unsolicited proposals received by the Town shall be reviewed by the Department Head and Treasurer. Any procurement activity resulting from the receipt of an Unsolicited Proposal shall comply with the provisions of this Policy. A contract resulting from an Unsolicited Proposal shall be awarded on a non-competitive basis only when the procurement requirements comply with the non-competitive procurement policies and procedures herein.

BID ANALYSIS

The analysis of bid responses shall be carried out as follows:

1. Tenders shall be tabulated and analyzed by the initiating Department Head and a recommendation forwarded to the CAO for review.
2. Bid responses dealing with the lease, rental or purchase of physical assets shall be tabulated and analyzed by the initiating Department Head and a recommendation forwarded to the CAO for review.
3. All other bid responses shall be tabulated and analyzed by the initiating Department Head and the Treasurer.

REPORTING

For Goods and Services and Professional and Consulting Services

1. Where the:
 - a. value of the goods and services is less than \$49,999, and
 - b. procedures defined by this Policy have been followed, and
 - c. acquisition is within the approved departmental net budget amount, and
 - d. lowest responsive bid has been recommended,

the Department Head shall execute a Purchase Order and arrange for it to be signed by the Treasurer or Town's Signing Officer(s).

2. Council approval shall be required where the:
 - a. value of the goods and services is over \$49,999 or \$10,000 if the expenditure has not been approved by Council through the budget process , or
 - b. purchase is for heavy equipment, or
 - c. procurement policy is being waived, or
 - d. acquisition exceeds the approved capital budget amount by more than the greater of \$5,000 or 10%, or
 - e. lowest responsive vendor/tender submission is not being recommended, or
 - f. there was no provision in the budget for the item, or
 - g. CAO requests that a report be presented for Council's consideration and approval.

Based on the above criteria, a Purchase Order shall be issued and/or contract executed by the Mayor and Clerk in accordance with the procurement guidelines in this policy.

3. All contracts will be held by the Clerk with copies being provided to the issuing Department and the Treasurer.

DISPOSAL OF SURPLUS GOODS

1. When requested by the Treasurer, the Department Heads shall provide a list of any items that have been deemed as surplus assets for sale or disposal. The Department Heads shall obtain the approval of the CAO prior to their sale or disposition.

The Treasurer shall circulate a list of surplus assets available to all Departments prior to the sale or disposition of such items.

2. Surplus assets not required by any other Department shall be sold or disposed of by formal auction, internet auction, tender, quotation, trade-in or otherwise as may be determined by the CAO. Any remaining surplus assets may be awarded to a non-profit entity by the Treasurer.
3. The disposition of all surplus assets shall be documented and the revenue generated from the sale shall be credited to the Town.

CONFLICT OF INTEREST

All consultants (e.g. architects, engineers, etc.) retained by the Town of Hearst shall disclose to the Town prior to accepting an assignment, any potential conflict of interest. If such a conflict of interest does exist, the Town as directed by the Department Head or the CAO may, at its discretion, withhold the assignment from the consultant until the matter is resolved. Furthermore, if during the conduct of a Town assignment, a consultant is retained by another client giving rise to a potential conflict of interest, the consultant shall inform the Town forthwith.

SCHEDULE “A”

GOODS AND SERVICES EXEMPT FROM THE 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) Car allowances & personal vehicle usage
- f) Miscellaneous – Non-travel

4. Employer’s General Expenses

- a) Payroll deduction remittances
- b) Licences (vehicles, elevators, radios, etc.)
- c) Debenture payments
- d) Grants to agencies
- e) Tax remittances
- f) Charges to/from Government or Crown Corporations
- g) Employee income
- h) Advertisement

5. Council Expenses

- a) Public relations
- b) Meeting expenses

6. Professional and Special Services

- a) Committee fees
- b) Witness fees
- c) Court reporters' fees
- d) Honoraria
- e) Arbitrators
- f) Legal settlements

7. Utilities

- a) Postage
- b) Water and sewer charges
- c) Hydro
- d) Cable television charges
- e) Telephone
- f) Internet connection

8. Contracts

- a) Photocopier maintenance
- b) Garbage collection
- c) Answering service
- d) Airport management
- e) Janitorial services
- f) Community bus
- g) Cemetery burials
- h) Engineering services
- i) Other contracts as they may arise

SCHEDULE “B”

BID IRREGULARITIES

Bid Irregularity

A bid irregularity is a deviation from the requirements (terms, conditions, specifications, special instructions) of a bid request by the information provided in a bid response.

For the purposes of this Policy, bid irregularities are further classified as “major irregularities” and “minor irregularities”.

A “**major irregularity**” is a deviation from the bid request that affects the price, quality, quantity or delivery, and is material to the award. If the deviation is permitted, the bidder could gain an unfair advantage over competitors. Any bid which contains a major irregularity must be rejected.

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

Mathematical Errors – Rectified by Staff

The Treasurer or requisitioning Department Head will correct errors in mathematical extensions and/or taxes, and the corrected unit prices will govern.

Action Taken

The Treasurer, CAO and Department Head shall be responsible for all actions taken in dealing with bid irregularities, and will act in accordance with the nature of the irregularity.

- ✓ Major irregularity – automatic rejection
- ✓ Minor irregularity – bidder may rectify
- ✓ Mathematical error (additions or extensions) – corrected by Town

SCHEDULE "C"

REQUEST FOR TENDER PROCESS

Tenders shall be called by way of public advertising or invitational bid for all work, equipment and materials with a value exceeding \$50,000, as outlined in the Town's Procurement Policy.

The Department Head will provide a draft advertisement, tender documents and the following information to the CAO for review:

- ✓ dollar value
- ✓ account number and budget authority
- ✓ description of work
- ✓ closing date.

Further to the approval of the advertisement, the Administrative Assistant will advertise:

- ✓ All public tenders in the local papers and on the Town of Hearst Website. At the discretion of the CAO in consultation with the Department Head, tenders may be advertised in out-of-town papers
- ✓ In some instances, the contract may be advertised to pre-qualify potential bidders. Pre-qualification of bidders includes the screening of potential vendors in which such factors as financial capability, reputation, qualified staff and equipment management and product quality are considered. After evaluation of responses, only those contractors who are "pre-qualified" are allowed to submit tenders.

Advertisements must include the following information (if applicable): site meeting time/date/location, contact names for technical and purchasing inquiries, document fee, and location for pick up and drop off of bid documents.

The closing date is usually 15 calendar days after the date of issue of a tender. However, a tender may be closed in a shorter or longer period of time depending on the urgency or complexity of the item(s) being tendered.

Advertised tender packages are available from the Administration Department, Hearst Town Hall, 925 Alexandra Street. The tender fee (if applicable) shall be paid to the Town and information shall be recorded for the time, date, name and contact information of the bidders as documents are picked up. A copy shall be available for viewing prior to purchase.

All tender submissions must be addressed to the CAO or to the Department Head, whichever is practicable, of the Town of Hearst. The Administrative Assistant will receive all sealed tender submissions and record the date and time received on the envelope.

Tender submissions will not be accepted if they are

- ✓ not sealed
- ✓ received after the closing deadline
- ✓ submitted after a tender has been cancelled.

Request for withdrawal of a tender shall be allowed if the request is made before the closing time of the tender contract to which it applies. Requests must be directed to the CAO by letter or in person, by a Senior Official of the company, with a signed withdrawal request confirming the details. Telephone requests will not be considered. The withdrawal of a tender does not disqualify a bidder from submitting another tender for the same contract.

Tenders close at 3:30 pm on the appointed day and are opened at 3:35 pm (unless specified otherwise in the tender documents).

Each tender shall be reviewed to determine whether a bid irregularity exists, and action shall be taken according to the nature of the irregularity (see Appendix “B”)

Tenders are to be tabulated and evaluated by the issuing Department.

A report initiated by the issuing Department Head and reviewed by the CAO shall be prepared for Council’s consideration and approval.

Following Council’s approval, a Purchase Order will be issued or a contract legally binding the Town will be executed by the Mayor and Clerk.

Tender results, if requested, shall be made public.

SCHEDULE “D”

REQUEST FOR PROPOSAL PROCESS

Requests for Proposals (RFPs) may be called instead of tenders, by way of public advertising or invitational bid, as outlined in the Town’s Procurement Policy:

- ✓ when requirements or services cannot be definitively specified, or
- ✓ when the requirements or services are non standard or specialized in nature, or
- ✓ the cost is only a minor component in the consideration to award.

Before issuing a RFP, the user Department must provide the following information to the CAO:

- ✓ approximate dollar value
- ✓ account number and budget authority
- ✓ description of work
- ✓ closing date

The user Department will initiate the RFP process by preparing documents, with input and assistance from the CAO as may be required.

Prior to printing, documents must be submitted to the CAO for review to ensure that all provisions other than specifications have been included in the proper format.

The Administrative Assistant will advertise and distribute RFP packages.

All public RFPs shall be advertised in the local papers and on the Town of Hearst Website. At the discretion of the CAO in consultation with the Department Head , RFPs may be advertised in out-of-town newspapers and trade papers.

Advertisements must include the following information (as applicable): site meeting time/date/location, contact names for technical and purchasing inquiries, document fee, and location for pick-up and drop-off of bid documents.

Public Request for Proposal document packages shall be available from the Clerk’s Department, Hearst Town Hall, 925 Alexandra Street. The tender fee (if applicable) shall be paid to the Town and information shall be recorded for the time, date, name and contact information of the bidders as documents are picked up. A copy shall be available for viewing prior to purchase.

All tender submissions must be addressed to the CAO or to the Department Head, whichever is practicable,, of the Town of Hearst unless otherwise stated in the advertisement. The Administrative Assistant will receive all sealed tender submissions and shall record the date and time received on the envelope.

Submissions will not be accepted if they are

- ✓ not sealed
- ✓ received after the closing deadline
- ✓ submitted after a RFP has been cancelled.

Request for withdrawal of an RFP shall be allowed if the request is made before the closing time of the RFP to which it applies. Requests must be directed to the CAO by letter or in person, by a Senior Official of the company, with a signed withdrawal request confirming the details. Telephone requests will not be considered. The withdrawal of a RFP does not disqualify a bidder from submitting another proposal for the same contract.

Proposals shall be opened at 3:30 pm on the appointed day (unless specified in the tender documents). Only names of bidders will be made public.

Proposals received shall be evaluated on the basis of quantitative and qualitative criteria.

A report initiated by the issuing Department Head and reviewed by the CAO shall be prepared for Council's consideration and approval.

Following Council's approval, a Purchase Order will be issued or a contract legally binding the Town will be executed by the Mayor and Clerk.

Once an award is made by Council, the report recommending an award shall be a matter of public record.

RFP results, if requested, shall be made public.

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