

POLICY	
Policy Number: CORP2024-006	Date Approved: November 5, 2024
Department: Corporate Services	Date Reviewed:
PROCUREMENT OF GOODS AND SERVICES	

1. Policy Statement

The Municipal Act, 2001, S.O. 2001, c. 25, Part VI, Subsection s. 270(1) 3. states that a municipality shall adopt policies with respect to its procurement of goods and services, including:

- 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 a tendering process;
- f) How the integrity of each procurement process will be maintained;
- g) How the interests of the municipality, the public and persons participating in a 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. Purpose

- 2.1 The Policy establishes guidelines and processes to be followed in order for the Town to obtain the best value when purchasing materials, goods, or contracting services relative to municipal service delivery.
- 2.2 The Policy establishes a transparent process that shall maintain fairness and impartiality.
- 2.3 The Policy aims to uphold the integrity of the purchasing process while protecting Council, vendors, and Employees involved by providing clear direction and accountability.

3. Scope

- 3.1. This Policy is the Town's procurement activities directive and applies to Council and each Town Employee; this Policy provides instruction and direction on how the Town procures its goods and services and shall be observed and followed corporately in order to remain accountable of public funds.
- 3.2. Local Boards that do not have a goods and services policy enacted will be required to comply with this Policy.

4. Legislative Authority

- 4.1 [Municipal Act](#), 2001, S.O. 2001, c. 25

5. Definitions

- 5.1. **Agreement** means a formal written legal agreement or Contract for the supply of goods, services, equipment, or construction.
- 5.2. **Appropriations** means money set aside by formal action for a specific use.
- 5.3. **Best Value** means the consideration of purchase price, warranty, service costs, life cycle costs, time of completion/delivery, inventory carrying costs, operating and disposal costs to determine the successful compliant bid from a responsive, responsible bidder.
- 5.4. **Bid** means a submission from a prospective vendor in response to a request for the purchase of goods or services issued by the Town.
- 5.5. **Bid Deposit** means currencies, certified cheques, bond surety issued by a surety company, or other forms of negotiable instruments to ensure the successful bidder will enter into an agreement.
- 5.6. **Capital Expenditure** means funds used to acquire or upgrade physical assets such as property buildings, machinery, or equipment.
- 5.7. **CAO** means the Chief Administrative Officer for The Corporation of the Town of Kirkland Lake or Designate
- 5.8. **Committee Member** means a person appointed by Council to a Committee of Council or Task Force representing the Town of Kirkland Lake.
- 5.9. **Council** means the Council of The Corporation of the Town of Kirkland Lake or designate.
- 5.10. **Designate** means a person designated by the CAO to exercise any or all responsibilities thereto assigned with respect to this Policy. Where authority has been provided, the CAO may assign limitations to specified designates.

5. **Definitions** (continued)

- 5.11. **Director** means the Town's departmental Directors of Community Services, Corporate Services, Development Services, Emergency & Fire Services, Public Works, and Teck Pioneer Residence. Also included are the CAO, the Municipal Clerk, and the Treasurer.
- 5.12. **Emergency Purchase** means a purchase made in a crisis situation where immediate action is required to prevent the possible loss of life or property.
- 5.13. **Employee** means either on contract, part time, full time, volunteer, or student capacity.,
- 5.14. **Formal Bid** means a sealed bid submission.
- 5.15. **Goods and Services** means supplies, materials, equipment, and services of every kind required to be used to conduct the operations of a department.
- 5.16. **Local Board** is as defined by the *Municipal Act*, 2001, as amended, meaning a *"municipal service board, transportation commission, public library board, board of health, police services board, planning board, or any other board, commission, committee, body or local authority established or exercising any power under any Act with respect to the affairs or purposes of one or more municipalities, excluding a school board and a conservation authority."*
- 5.17. **Manager** means the Manager of a division within a director-managed department as identified in the Town's Organizational Chart.
- 5.18. **Organizational Chart** means the Town's corporate diagram, as managed by the Human Resources Division, which shows the structure of the organization and the relationships and relative ranks of its parts and positions/jobs, as formally approved by the Chief Administrative Officer (CAO).
- 5.19. **Purchase(ing) Card** means a Town-issued credit or debit card.
- 5.20. **Purchase Order** means the purchasing document used to formalize a purchasing transaction with a vendor.
- 5.21. **Quotation** means a request for prices on specific goods and/or services from selected vendors which are submitted verbally or in writing.
- 5.22. **Request for Expression of Interest** means a focused market research tool used to determine vendor interest in a proposed procurement. It may be issued simultaneously with a Request for Qualifications when the proposed procurement is well defined, and the purchaser has clear expectations for the procurement.
- 5.23. **Request for Information** means a process used prior to issuing a tender call as a general market research tool to determine what products and services are available, scope out business requirements, and/or estimate project costs.

5. **Definitions** (continued)

- 5.24. **Request for Proposal** means a process where a need is identified, but the method by which it will be achieved is unknown at the outset. This process allows vendors to propose solutions or methods to arrive at the desired result.
- 5.25. **Request for Qualifications** means a document that is issued to obtain statements of the qualifications of potential responders to gauge potential competition in the marketplace, prior to issuing the solicitation.
- 5.26. **Request for Quotation** means a process of procurement that is well defined, and the purchaser has a clear expectation for the procurement and where the purchase has a threshold limit under the defined limits expressed in this Policy.
- 5.27. **Services** means an act or use in which the Town is willing to procure.
- 5.28. **Supplies** means goods, wares, merchandise, material, and equipment.
- 5.29. **Tender** means a document that sets out precisely defined requirements 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.
- 5.30. **Town** being The Corporation of the Town of Kirkland Lake herein is also referred to as the “Town” or the “Corporation.”
- 5.31. **Threshold** means the maximum limit of Canadian currency.
- 5.32. **Vendor** means any person or enterprise supplying goods and/or services to the Corporation, which includes contractors and consultants.

6. **General Responsibility**

- 6.1. Council has ultimate authority for all expenditures. Council delegates this authority by the authorization of budgets or by specific resolution. Treasury will not pay for any item that has not been authorized by Council through budget appropriation, specific resolution or delegated authority. This Purchasing Policy provides guidelines outlining how spending authority is to be used.
- 6.2. All Town Council Members and Employees shall comply with this Procurement of Goods and Services Policy.
- 6.3. All procurement activities shall be subject to all applicable Town policies and by-laws, any specific provisions of the *Municipal Act*, 2001 S.O. 2001, c. 25, as amended, and all other Federal and Provincial legislation and regulations thereto.

7. Roles and Authority

7.1. Mayor and Councillors (Council)

- 7.1.1. Council has ultimate authority for all expenditures. Council delegates its authority by the authorization and approval of budgets, or, by specific resolution or by-law appointment.

7.2. Chief Administrative Officer (CAO)

The CAO shall be responsible for:

- 7.2.1. All procurement activity and authorization within the limits as stated in this Policy;
- 7.2.2. Ensuring Directors comply with this Policy.
- 7.2.3. Providing additional restrictions and/or authority concerning procurement activities where such actions are considered necessary and in the best interest of the Town.
- 7.2.4. Redirect any non-compliance to this Policy, in writing, to the Program Manager - Procurement & Risk Management;
- 7.2.5. Exercise delegated authority in accordance with this Policy and any delegation of authority by-law or policy established by the Town with respect to purchasing and procurement.
- 7.2.6. The CAO shall be responsible for approval of accounts within the approved budget for such department(s) or any amendment to same as approved by Council over \$100,000 excluding all applicable taxes. Unspecified capital expenditures in the annual estimates require prior Council approval by resolution.

7.3. Directors

Directors shall be responsible for:

- 7.3.1. All departmental procurement activity and authorization within the limits as stated herein.
- 7.3.2. Ensuring Employees involved in procurement activity receive appropriate training on processes and on individual approval limits.
- 7.3.3. Ensuring sufficient funding and budget has been authorized by Council and is available.
- 7.3.4. Preparing specifications, quantity requirements, and scope of work to be used in the procurement of Goods and Services.

7.3. Directors (continued)

- 7.3.5. Consulting with the Town's Information Technology Manager if the procurement or part of, is comprised of any IT related hardware or software, an internet application, or licensing or maintenance, phone communication systems, that will be integrated into any of TKL's Networks or that will require Information Technology Support and/or Management.
- 7.3.6. Monitoring contract expenditures.
- 7.3.7. Receipt, acceptance and authorizing payment of Goods or Services.
- 7.3.8. Managing contracts and documenting performance evaluation.
- 7.3.9. Ensuring departmental Employees comply with this Policy and any non-compliance is reported, in writing, to the Program Manager – Procurement and the respective Management Employees, Director and/or CAO.
- 7.3.10. Ensuring no procurement activity or decision is contrary to this Policy.
- 7.3.11. The Directors shall be responsible for approval of accounts within the approved budget for such department or any amendment to same as approved by Council up to \$100,000 excluding all applicable taxes. Unspecified capital expenditures in the annual estimates require prior Council approval by resolution.
- 7.3.12. Resolutions approving budget amendments, capital expenditures or special appropriations shall contain purpose of expenditure, cost estimates or expenditure limitation, and the fund in which an appropriation has been provided. All Employee reports recommending such resolutions shall contain the CAO's endorsement.
- 7.3.13. A Director may request the CAO to appoint a Designate(s) to exercise any or all responsibilities assigned to that Director by this Policy. A Director may request the CAO to assign limitations to certain specified designates. Notification of any delegation will be forwarded to the Procurement and Treasury Divisions.

7.4. Program Manager - Procurement & Risk Management

The Program Manager shall be responsible for:

- 7.4.1. Overseeing all procurement activities of the Town and authorization within the limits stated in this Policy.
- 7.4.2. Providing advice, guidance and related services that may be required by departments for the purpose of fulfilling their procurement needs.

7.4. Program Manager - Procurement & Risk Management (continued)

- 7.4.3. Developing, maintaining, and continuously improving detailed processes, systems, templates, and practices to be used in the procurement process.
- 7.4.4. Providing training for Directors and Employees responsible for acquiring Goods and Services.
- 7.4.5. Assist authorized Employees in determining the appropriate method for acquiring Goods and Services.
- 7.4.6. Managing formal Bid Requests including notification, receipt, opening, and compliance with stated terms and conditions.
- 7.4.7. Establishing project specific terms and conditions for Bid Requests and Contracts in consultation with Directors, Employees and the Town's Legal Counsel.
- 7.4.8. Standardizing Goods and Services in collaboration with Directors, when and where appropriate.
- 7.4.9. Establishing formal agreements and contracts in conjunction with Town Directors, CAO, Municipal Clerk, and the Town's Legal Counsel on:
- 7.4.10. Disposal of Surplus Goods;
- 7.4.11. Reporting to Council, as required;
- 7.4.12. Ensuring Town Employees comply with this Policy and any non-compliance is reported, in writing, to the respective Director, and CAO; and
- 7.4.13. Ensuring no procurement activity or decision is contrary to the Policy.
- 7.4.14. Establishing a master list of authorities, including but not limited to Directors, Managers, Officers of the Corporation and their assigns.
- 7.4.15. Ensuring the appropriate record keeping techniques as per the Town's Records Retention Schedule and with guidance from the Head of Official and Non-Official Records (Municipal Clerk).

8. Restrictions and Exceptions

- 8.1. The open and competitive procurement procedures set out in this Policy shall not apply to the purchase of those items listed in **Schedule "B"**, or as otherwise listed in this Policy.
- 8.2. No Contract or Bid for Goods or Services may be divided into two or more parts to avoid the application of the provisions of this Policy.

8. Restrictions and Exceptions (continued)

- 8.3. No Contract shall be awarded to any person, company, or corporation who or which has a claim, demand, action or other legal proceeding against the Town or against who the Town has a claim, demand, action or other legal proceeding with respect to any previous or existing Contract, except in such circumstances as deemed necessary by the CAO.
- 8.4. Subject to the [Municipal Conflict of Interest Act](#) R.S.O. 1990 c M.50, Council's [Code of Conduct](#), the Town's [Code of Ethics Policy](#) or such other similar Policy currently in force, no purchase shall be made or Contract awarded by the Town to any member of Council or Employee that would result in an actual, potential, or perceived pecuniary interest.
- 8.5. The Municipal Clerk has authority to purchase goods, services, and equipment considered necessary or advisable to carry out the requirements of the [Municipal Elections Act](#), 1996, S.O. 1996, c. 32, Sched. The Municipal Clerk shall, wherever possible, be guided by the provisions of this Policy.
- 8.6. The Chief Administrative Officer has the sole discretion to utilize sundry funds established by virtue of agreement between the CAO and the Town. The CAO shall, wherever possible, be guided by the provisions of this Policy.

9. Methods of Procurement

- 9.1. The method of purchasing Goods and Services shall be in accordance with this Policy and as stated in **Schedule "A"**.
- 9.2. Sales taxes, excess taxes, goods and services taxes, shipping fees, and duties shall be excluded in determining the price of the thresholds listed below.
- 9.3. In the case of multi-year supply and/or service contracts, the preauthorized expenditure limit shall refer to the estimated annual expenditure under the contract.

9.4. Informal Process \$5,000 or less

- 9.4.1. Purchase of goods or services of \$5,000 or less should be made by way or Purchase Order or Purchasing Card. Purchases may, from time-to-time, be made without a Purchase Order or Purchasing Card with verbal or written authority from a Director and all invoices and/or receipts will be signed for authorization by said Director.
- 9.4.2. Obtaining three (3) written or verbal quotes is recommended but not required.
- 9.4.3. Any employee authorized by their Director to make purchases may approve a purchase.

9.5. Informal Process - greater than \$5,000 but not greater than \$25,000

- 9.5.1. Purchase of goods or services of greater than \$5,000 but not greater than \$25,000 shall be made by way of purchase order.
- 9.5.2. At least three (3) quotes, either written or verbal are obligated unless Non-Competitive or Direct Negotiation is required as per sections "9.11. and 9.12" of this Policy.
- 9.5.3. A Director or any employee exercising authority delegated in writing by a Director, or CAO may approve a purchase. However, only a Director or CAO may approve a purchase by way of Non-Competitive or Direct Negotiation at this threshold.

9.6. Informal Quotation – greater than \$25,000 but not greater than \$100,000

- 9.6.1. Purchase of goods or services of greater than \$25,000 but not greater than \$100,000 shall be made by way of purchase order.
- 9.6.2. At least three (3) written quotes are obligated unless Non-Competitive or Direct Negotiation is required as per section "9.11. and 9.12." of this Policy.
- 9.6.3. Only the CAO or a Director may approve at this threshold.

**9.7. Formal Request for Tender – greater than \$100,000
(*Optional Formal Request for Quotation (RFQ) for items less than \$100,000)**

- 9.7.1. Formal Request for Tender procedure, as outlined in the Request for Tender document, shall be used when the requirements can be fully defined and best value for the Town can be achieved by an award selection made on the basis of the lowest bid that meets specifications.
- 9.7.2. The Director or designate shall provide to the Program Manager of Procurement a purchase request in writing containing the relevant specifications, budget authorization, approval authority and terms and conditions for the purchase of goods, services, or construction.
- 9.7.3. The Program Manager of Procurement shall be responsible for arranging the method of opening tender bids and will make public the method, time, and date of the openings. Any public openings will, at minimum, include the Program Manager of Procurement, Town Clerk or designate, and at least one additional department Employee member.
- 9.7.4. The requesting Department and the Procurement Department shall be responsible to review the quote submissions and verify that all specifications of the quote are met.
- 9.7.5. The Department Director shall forward to the CAO a summary of the bids and recommend the award of contract to the lowest responsive quote subject to review by the Director or designate regarding specifications and contractor performance.
- 9.7.6. Other parties (i.e. consultants, project managers) may be included in the previous steps when under contract of the Town.
- 9.7.7. The CAO may approve purchases at this threshold unless a formalized agreement is required, is over pre-approved budget amounts, or has not been included the yearly budget. All other approvals will be made by Council. A report to Council will be provided upon CAO approvals; and
- 9.7.8. The Town reserves the right to accept or reject any and all submissions for any reason.

9.8. Formal Request for Proposal – greater than \$100,000 but may be utilized at lower dollar thresholds.

- 9.8.1. The Request for Proposal procedure, as outlined in the Request for Proposal document, shall be used where the requirements is best described in a general performance specification, where innovative solutions are sought, and to achieve best value by awarding a selection based on an evaluated point per item or other method involving a combination of mandatory and desirable requirements.
- 9.8.2. The Request for Proposal method of purchase is a competitive method of purchase that may or may not include Vendor pre-qualification.
- 9.8.3. A Request for Information or Request for Expression of Interest may be issued in advance of a proposal to assist in the development of a more definitive set of terms and conditions, scope of work/service and the selection of qualified Vendors.
- 9.8.4. Where the requirement is not straightforward or an excessive workload would be required to evaluate proposals, either due to their complexity, length, number or any combination thereof, a procedure may be used that would include a pre-qualification phase.
- 9.8.5. The Program Manager of Procurement along with the Director shall create a list of evaluation criteria for award purposes. The list may include, but not limited to, factors such as qualifications and experience, strategy, approach, methodology, scheduling, Employee and equipment, and pricing.
- 9.8.6. The predetermined evaluation workgroup will each use a similar matrix for scoring and a combined average score among members will determine final scoring.
- 9.8.7. The Director shall forward to the CAO an evaluation summary of the procurement, as well as the workgroup's recommendation for award of contract to the supplier meeting all mandatory requirements and providing best value as stipulated in the Request for Proposal. Where the highest scored bid is not accepted, the CAO, Director, or Program Manager of Procurement is responsible for documenting the determination of best value, in a confidential report to Council prior to award of contract.
- 9.8.8. Reporting will not include summaries of bids as this information will remain confidential. Any disclosure of information shall be made by the appropriate officer in accordance with the provisions of the [Municipal Freedom of Information and Protection of Privacy Act](#), R.S.O. 1990, c. M 56.

9.8. Formal Request for Proposal – greater than \$100,000 but may be utilized at lower dollar thresholds. (continued)

- 9.8.9. Unsuccessful proponents may, upon their request, attend a debriefing session with the Program Manager of Procurement or the Director to review their bid submission. Discussions relating to any bid submissions other than that of the proponent present will be strictly prohibited.
- 9.8.10. Other parties (i.e. consultants, project managers) may be included in the previous steps when under contract of the Town.
- 9.8.11. The CAO may approve purchases at this threshold unless a formalized agreement is required, is over pre-approved budget amounts, or has not been included the yearly budget. All other approvals will be made by Council. A report to Council will be provided upon CAO approvals; and
- 9.8.12. The Town reserves the right to accept or reject any and all submissions for any reason.

9.9. Other Informal and Formal Procurement Methods

- 9.9.1. The Program Manager of Procurement may from time to time recommend and utilize other informal and formal purchasing methods not defined in this Policy that are in the best interest of the Town. All threshold approval limits will be followed regardless of method utilized.

9.10. Blanket Contract Purchases

- 9.10.1. A Request for a Blanket Contract may be used where one or more clients repetitively order the same goods or services and the actual demand is not known in advance, or a need is anticipated for a range of goods and services for a specific purpose, but the actual demand is not known at the outset, and delivery is to be made when a requirement arises.
- 9.10.2. To establish prices and select sources, The Program Manager of Procurement shall employ the provisions contained in this Policy for the acquisition of goods, services and construction.
- 9.10.3. More than one supplier may be selected where it is in the best interests of the Town and the bid solicitation allows for more than one.
- 9.10.4. Where purchasing action is initiated by a department for frequently used goods or services, it is to be made with the supplier or suppliers listed in the Blanket Contract; and
- 9.10.5. In a Request for Blanket Contract, the expected quantity of the specified goods or services to be purchased over the time period of the agreement will be as accurate an estimate as practical and be based, to the extent possible, on previous usage adjusted for any known factors that may change usage.

Non-Competitive Purchase

9.10.6. The requirement for competitive bid solicitation for goods, services and construction may be waived under joint authority of the appropriate Director, Program Manager of Procurement, and Chief Administrative Officer and replaced with negotiations by the Director/and or Program Manager of Procurement under the following circumstances:

- a) Where competition is precluded due to the application of any Act or legislation or because of the existence of patent rights, copyrights, technical secrets or controls of raw material;
- b) Where due to abnormal market condition, the goods, services or construction required are in short supply;
- c) Where only one source of supply would be acceptable and cost effective;
- d) Where there is an absence of competition for technical or other reasons and the goods, services or construction can only be supplied by a particular supplier and no alternative exists;
- e) Where 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 security or confidentiality matters;
- f) Where in the event of an “*Emergency*” as defined by this Policy, a requirement exists;
- g) Where the opportunity to purchase used goods would be in the best interest of the Town;
- h) Where the requirement is for a utility for which there exists a monopoly; and;
- i) When Town Employees intends to select a supplier to provide goods, services or construction pursuant to this Policy section, a written report indicating the compelling rationale that warrants a non-competitive selection will be submitted by the Department to the threshold approval authority within this Policy for approval.

9.11. Direct Negotiation

9.11.1. Unless otherwise provided in accordance with the Purchasing By-law and this Policy, goods and services may be purchased using the Direct Negotiation method only if one or more of the following conditions apply.

- a) The required goods and services are reasonably available from only one source by reason of the scarcity of supply in the market or the existence of exclusive rights held by any supplier or the need for compatibility with goods and services previously acquired and there are no reasonable alternatives or substitutes;
- b) The required goods and services will be additional to similar goods and services being supplied under an existing contract (i.e., contract extension or renewal);
- c) An attempt to purchase the required goods and services has been made in good faith using other methods of this Policy which has failed to identify a successful supplier, and it is not reasonable or desirable that a further attempt to purchase the goods and services be made using a method other than Direct Negotiation;
- d) The goods and services are required as a result of an emergency, which would not reasonably permit the use of a method other than Direct Negotiation;
- e) The required goods and services are to be supplied by a particular vendor or supplier having special knowledge, skills, expertise or experience; and
- f) When, in the opinion of Employees, is in the best interest of the Town to do so.

9.11.2. When Town Employees intends to select a supplier to provide goods, services or construction pursuant to this Policy section, a written report indicating the compelling rationale that warrants a non-competitive selection will be submitted by the Department to the threshold approval authority within this Policy for approval.

9.12. Procurement in Emergencies

9.12.1. Emergencies include;

- a) An imminent or actual danger to the life, health or safety of an official or an employee while acting on the Town's behalf;
- b) An imminent or actual danger of significant damage to or destruction of real or personal property belonging to the Town;
- c) An unexpected interruption of an essential public service;
- d) An emergency as defined by the *Emergency Management and Civil Protection Act, R.S.O 1990, c. E.9.* and the emergency plan formulated thereunder by the Town;
- e) A spill of a pollutant as contemplated by Part X of the Environmental Protection Act, R.S.O. 1990, c. E.19;
- f) Mandate of a non-compliance order; and
- g) Where in the opinion of the CAO or two Directors, an emergency has occurred,

9.12.2. On receipt of a requisition authorized by a Director and CAO (or two Directors or Director and Treasurer) may initiate a purchase order in excess of the preauthorized expenditure limit.

9.12.3. Any purchase order issued under such conditions together with a source of financing shall be justified and reported to the next regular meeting of Council following the date of the requisition.

9.13. Co-operative Purchasing

9.13.1. The Program Manager of Procurement may make arrangements with other government bodies, public authorities, conservation authorities, municipalities, academia, schools, hospitals (MASH sector), public sector buying groups, and not-for-profit organizations in cooperative purchasing where it is in the best interest of the Town to do so.

9.13.2. If procurement is to be conducted by other public bodies the Program Manager of Procurement will determine that the competitive method is consistent with this Policy.

9.13.3. That the awarding, reporting and execution of contracts resulting from cooperative procurement is consistent with this Policy.

9.14. Formal Procurement Before Budget Adoption

- 9.14.1. With approval from both a Director and CAO, the Program Manager of Procurement may be authorized, prior to the adoption of the budget by Council, to begin a formal procurement process for goods and/or services when it is in the best interest of the Town to do so.
- 9.14.2. Any such process will include a clause specifically stating that the award and acceptance of any bid or order will be subject to budget approval by Council and that the items specified are subject to change in quantity and/or deletion.

10. Bid Administration

- 10.9. All formal bid documents will be coordinated with the Program Manager of Procurement and managed through the procurement department.
- 10.10. The Program Manager of Procurement will determine how bid opportunities are advertised that are in the best interest of the Town.
- 10.11. Procedures for bidding will be followed using the stated processes on each bid document and utilizing the Town's standard Terms and Conditions.

11. Evaluation of Bids

- 11.1. Formal bid proposals are to be evaluated by a multi-team Town working group consisting of the Program Manager of Procurement, the department Director or designate, and at least one other Employees member. Additional evaluators may be involved (i.e., consultants, project managers). With approval from the Director or CAO, the Program Manager of Procurement may recommend an alternative evaluation method when in the best interest of the Town to do so.
- 11.2. Formal bid proposals will be scored using the same evaluation matrix between all members of the evaluation team. Scores will be averaged together to determine a final overall score and the successful bidder. In unique situations a Director or CAO may not award the bid to the highest score but must provide a written report and have approval from Council.

12. No Acceptable Bid or Equal Bids Received

- 12.1. Where bids are received that exceed budget, are deemed unacceptable, or where no bids have been received, the Town may:
- a) Prepare a revised bid solicitation, on recommendation by the Program Manager of Procurement, if in the best interest of the Town to do so.
 - b) The CAO and the Director jointly may waive the need for a revised bid solicitation and enter into direct negotiations with any of the bidders or any company should no bid be received, to meet the desired needs of the Town. Should the budget and scope of work differ from the original proposal or tender, a report will provide for approval from Council.
 - c) If two or more equal bids are received, the Program Manager of Procurement will offer an opportunity to re-bid. Should a tie persist, the following factors will be considered:
 - a) Prompt payment discount;
 - b) Best delivery date; and
 - c) Best after sales service.
- 12.2. If a tie persists, the tied equal bidders shall be determined with the lottery method. Each proponent is assigned a number after which numbers are selected at random. An example of a simple random sample would be the names of one proponent being chosen out of a hat from those two (or more) equal bidding proponents.
- 12.3. The Town has the right to cease negotiations and reject any offer at anytime.

13. Bid Deposits and Bid Bonds

- 13.1. The Program Manager of Procurement may at anytime recommend a bid deposit or bond in formal procurement, however bid deposits and bid bonds are required for construction projects or contracts with values exceeding \$500,000.
- 13.2. Bid bonds should be 10% of the contract price and be accompanied by an Agreement to Bond from a reputable Surety Company licensed to work in Ontario.
- 13.3. Upon award to a company, bonds (i.e. performance bond and/or labour and material payment bond) may be no less than 50% and up to 100% of the construction value.
- 13.4. Typically, holdbacks are required on large construction/consulting projects or contracts.

Contractual Agreement

- 13.5. The award of a contract may be by way of a formal agreement or purchase order upon recommendation of the Program Manager of Procurement. Formal agreements will be managed through the procurement department.
- 13.6. A purchase order should be utilized when the resulting contract is straightforward. Approval shall follow the threshold limits within this Policy.
- 13.7. Formal agreements should be utilized when the resulting contract is complex and will contain terms and conditions other than the Town's standard. Formal agreements shall be executed by the Mayor and Clerk in the name of the Corporation, unless otherwise deemed necessary by the CAO, for approval by himself/herself, that is in the best interest of the Town. A report to council will follow.

14. Environmental Considerations

- 14.1. In order to contribute to waste reduction and to increase the development and awareness of environmentally sound purchasing, acquisitions of goods and services will ensure that, wherever possible, specifications are amended to provide for expanded use of durable products, reusable products and products (including those used in services) that contain the maximum level of post-consumer waste and/or recyclable content, without significantly affecting the intended use of the product or service. It is recognized that cost analysis is required in order to ensure that the products are made available at competitive prices.

15. Social and Sustainable Procurement

- 15.1. The Town is committed to continuously improve the social and sustainable impacts of its procurement of goods and services that balances fiscal responsibility, social equity, economic development, and environmental stewardship.

16. Amendment of Policy

- 16.1. This Policy or any provision of it may be amended or remade by the Chief Administrative Officer from time to time at his/her discretion except in relation to items stated in the Town of Kirkland Lake purchasing bylaw which must be approved by Council.

17. Summary

The Policy herein will guide the Town of Kirkland Lake in best practices for fair, objective, consistent, and transparent procurement of goods and/or services. This Policy will strive to meet all municipal, provincial, and federal regulations and legislation. This will ensure town Employees remain accountable for the municipal and public funds entrusted to it.

SCHEDULE “A”

Levels of Purchase Methods and Approval Authority

Note: Sales taxes, excise taxes, goods and services taxes, shipping, and duties shall be excluded.

Dollar Value	Procurement Process	Approval Authority
\$0 - \$5,000	Petty Cash, Purchasing Card or Purchase Order	Any employee authorized by their Director to make purchases may approve a purchase.
\$5,001 - \$25,000	Purchase Order At least three (3) quotes, either written or verbal required unless co-operative, non-competitive*, or direct negotiation* is required	A Director or any employee exercising authority delegated in writing by a Director, or CAO may approve a purchase. *Only a Director or CAO may approve a purchase by way of non-competitive or direct negotiation at this threshold.
\$25,001 - \$100,000	Purchase Order At least three (3) written quotes required unless co-operative, non-competitive, or direct negotiation is required	CAO or a Director when pre-approved by the approval of the Town Budget
\$100,001 & Over	Formal Procurement through Procurement Division	The CAO may approve unless a formalized agreement is required, is over pre-approved budget amounts, or has not been included in the yearly budget. All other approvals will be made by Council.

SCHEDULE 'B'

Exclusions from Open/Competitive Procurement Process

1. Petty Cash Items
2. Training and Education, including:
 - 2.1. Conferences
 - 2.2. Courses and Seminars
 - 2.3. Conventions
 - 2.4. Memberships
 - 2.5. Literature
 - 2.6. Employee Development and Workshops
 - 2.7. Employee Relations
3. Refundable Employee Expenses, including:
 - 3.1. Cash Advances
 - 3.2. Meal Allowances
 - 3.3. Travel Expenses
 - 3.4. Accommodation
4. Employers General Expenses, including:
 - 4.1. Payroll Deduction Remittances
 - 4.2. Medicals
 - 4.3. Insurance Premiums and Deductibles
 - 4.4. Tax Remittances
5. Licenses, certificates and other approvals required.
6. Ongoing support/maintenance for existing computer hardware, software, and phone services.
7. Other Professional, Consultant, and Special Services up to \$75,000, including:
 - 7.1. Additional non-recurring Accounting and Auditing Services
 - 7.2. Legal Services
 - 7.3. Public Debenture Sales
 - 7.4. Realty Services (Lease, Acquisition, Demolition, Disposition, Appraisal of Land)
8. Utilities