

The Blue Mountains Attainable Housing Corporation DRAFT Purchasing Policy

PUBLIC MEETING CANCELLED FOR JULY 4, 2019

TO BE CONSIDERED AT THE AUGUST 1, 2019 ATTAINABLE HOUSING CORPORATION MEETING.



Notice of Public Meeting

THE BLUE MOUNTAINS ATTAINABLE HOUSING CORPORATION DRAFT PURCHASING POLICY

July 4, 2019 at 5:30 p.m. during the regular Blue Mountains Attainable Housing Corporation Board of Director meeting

Town Hall, Council Chambers
32 Mill Street, Thornbury, ON N0H 2P0

What is being proposed?

The Blue Mountains Attainable Housing Corporation is considering the adoption of a Purchasing Policy for use by the Corporation which will outline the guiding principles of public procurement and the approach that the BMAHC will take when procuring goods and services "purchasing". The detailed purchasing procedures, once approved, shall be consulted prior to proceeding with any procurement.

At the regularly scheduled May 21, 2019 Attainable Housing Corporation meeting, the Board of Directors for the Attainable Housing Corporation directed that the draft Attainable Housing Corporation Purchasing Policy be posted to the Attainable Housing Corporation website to receive comments from members of the public and Town staff utilizing the Town's Public Meeting process.

The draft Purchasing Policy for The Blue Mountains Attainable Housing Corporation can be accessed through the Attainable Housing Corporation website.

Regular meeting dates for The Blue Mountains Attainable Housing Corporation are posted to the Attainable Housing Corporation website, along with the links to meeting materials, as applicable.

Attainable Housing Corporation website:
<http://thebluemountainshousing.ca/>.

Questions? Want more information? Ask The Blue Mountains Attainable Housing Corporation!

Attainable Housing Corporation
519-599-3131 ext. 306
attainablehousing@thebluemountains.ca

Under the authority of the Municipal Act, 2001 and in accordance with Ontario's Municipal Freedom of Information and Protection of Privacy Act (MFIPPA), all information provided for, or at a Public Meeting, Public Consultation, or other Public Process are considered part of the public record, including resident deputations. This information may be posted on the The Blue Mountains Attainable Housing Corporation website and the Town of The Blue Mountains website, and/or made available to the public upon request.

This document can be made available in other accessible formats as soon as practicable and upon request.

When will a decision be made?

It is important to note that a decision on The Blue Mountains Attainable Housing Corporation Draft Purchasing Policy has NOT been made at this point, and will NOT be made at this Public Meeting.

After reviewing The Blue Mountains Attainable Housing Corporation Draft Purchasing Policy, comments from the public and members of Town staff, The Blue Mountains Attainable Housing Corporation will consider the adoption of the Purchasing Policy at a future Attainable Housing Corporation meeting.

How can I make my views known about this proposal?

Comments at the Public Meeting aid The Blue Mountains Attainable Housing Corporation in its decision making process, so be sure to have your say!

Any person or agency may attend the Public Meeting and/or make verbal or written comments regarding The Blue Mountains Attainable Housing Corporation Draft Purchasing Policy.

How do I submit my comments?

If you would like to submit comments in writing or would like to be notified of a decision on this proposal, submit your written comments or request during regular office hours (Monday to Friday from 8;30 a.m. to 4:30 p.m.) to Sarah Merrifield, Executive Assistant Committees of Council at:

Town Hall, 32 Mill Street, Thornbury, ON
Telephone: 519-599-3131 ext. 306

Comments can also be faxed to Sarah Merrifield at 519-599-7723, or emailed to attainablehousing@thebluemountains.ca

Please note that any submitted comments become part of the **public record**, including names and addresses. Written comments are due by **Friday, June 28, 2019** so that they may be read at the meeting for the benefit of everyone in attendance.



Purchasing Policy

The Blue Mountains Attainable Housing Corporation

Policy Statement

The goals of this policy are:

- To promote and maintain the integrity of the purchasing process;
- To obtain the best value by ensuring quality, efficiency and effectiveness.

Purpose

This policy will ensure openness, accountability and transparency of Blue Mountains Attainable Housing Corporation (“BMAHC”) purchasing while protecting the financial best interest of the BMAHC.

This policy will outline the guiding principles of public procurement and the approach that the BMAHC will take when procuring goods and services (“purchasing”). The detailed purchasing procedures shall be consulted prior to proceeding with any procurement.

The BMAHC shall:

- Encourage competition amongst suppliers by using an open, transparent and fair process;
- Where practicable, provide accessibility for persons with disabilities when purchasing goods, services and construction;
- Be environmentally conscious through the purchase of goods and services;
- Strive to ensure ethical purchasing practices are used by all staff.

Application

This policy applies to all BMAHC procurement activities.

Procedures

The Board of the BMAHC shall have the authority to develop procedures (“Purchasing Procedures”) to implement this policy.

The Purchasing Procedures will be approved by the BMAHC Board in consultation with the Town’s Senior Management Team and are to be used as instruction for BMAHC when purchasing goods or services in compliance with this policy.

The Board of the BMAHC will administer this policy. Any question involving the meaning or application of this policy is to be submitted to the BMAHC Board who will resolve the question and may consult with the Manager of Purchasing for the Town of The Blue Mountains (“Town”).

No contract or purchase shall be divided to avoid any requirements of this policy.

Procurement Methods

All purchase of goods, services and construction shall be undertaken utilizing one of the following methods of procurement, using standardized documents.

Where long term, valued relationships exist with material, equipment or support services providers, they should be examined periodically to ensure that the BMAHC is getting the best value when purchasing.

1. Informal Processes

Informal processes are to be completed by the BMAHC and shall include direct purchase or Informal Quotations. It will also include the Request for Quote process where the Purchasing Manager of the Town will assist in the document creation with the BMAHC.

2. Direct Purchasing

Direct purchase, as described below, may be used when:

- The dollar value of the item is equal to or less than \$5,000.
- The item is not covered under a Blanket Order Contract.

3. Request for Quotation (RFQ)

Request for Quotation procedures will be used when:

- 3.1. The cost of the item is between \$5,000 and \$24,999.
- 3.2. The ability exists to detail what is being purchased.
- 3.3. Document title will be consecutively numbered based on the BMAHC’s numbering and naming convention.
- 3.4. Best value for the BMAHC can be achieved by an Award selection made on the basis of the lowest compliant bid that meets specifications.

4. Formal Processes

Formal processes will be issues by BMAHC and shall include Request for Tender or Request for Proposal.

5. Request for Tender (RFT)

RFT procedures shall be used when:

- 5.1. The cost of the item is greater than \$25,000.
- 5.2. The ability exists to detail what is being purchased.
- 5.3. Best Value for the BMAHC can be achieved by an Award selection made on the basis of the lowest compliant bid that meets minimum specifications.

6. Request for Proposal (RFP)

Request for Proposal procedures shall be used when:

- 6.1. The requirement is best described in a general performance specification.
- 6.2. Innovative solutions are sought.
- 6.3. The Award selection will be made based on a fully disclosed evaluation method involving a combination of mandatory and desirable requirements.

7. Other Processes

N/A

8. Blanket Order Contracts

Blanket Order contracts occur as a result of a previous competitive bid, which establishes the successful bidder as the preferred source for a product or service over a specific term.

9. Rotational Roster

A Rotational Roster is the result of a competitive bidding process, which prequalifies vendors to be placed on a list where they will be provided an equal opportunity to perform work for the BMAHC as it becomes available.

10. Unsolicited Proposals

Unsolicited bids received by the BMAHC shall be reviewed by the ED (Executive Director) and the Board of the BMAHC. Unsolicited proposals must be in writing detailing information on a product or service that may provide the BMAHC with significant value or savings.

11. Cooperative Purchasing

The BMAHC is hereby authorized to participate in co-operative purchasing arrangements with other departments of the Town of The Blue Mountains or other municipalities, counties/regions, associations, local boards and public agencies within the Province. The BMAHC must satisfy themselves that the host agency will be proceeding to the open market to obtain competitive pricing. Award approvals of all co-operative purchasing contracts shall be in accordance with the Purchasing Procedures. Notice of Participation in co-operative purchases will be posted annually to the BMAHC's website in accordance with the requirements of CETA and CFTA.

12. Sole and Single Sourcing

Sole sourcing is a method of procurement whereby a purchase order is issued or contract awarded without a competitive bidding process due to the fact that the supplier is the only source of supply for the required goods or services.

Single Sourcing is a method of procurement whereby there is more than one vendor able to supply and a purchase order is issued or contract awarded without a competitive bidding process.

The use of Sole and Single Sourcing with a particular vendor exceeding \$25,000 must be reported to Council. Any single or sole sourcing with an amount between \$5,000 and \$24,999 must be reported to the Town of The Blue Mountains Manager of Purchasing by the BMAHC. In order for BMAHC to sole or single source for goods or services exceeding \$25,000, an operating strategy must be presented to the Board of the BMAHC, outlining the rationale. Input must be sought from the Town of The Blue Mountains Manager of Purchasing to ensure the purchasing principles in the BMAHC's Procedures are taken into consideration and risk to BMAHC is minimized.

13. Negotiation

Negotiation may only be used under the following circumstances:

- 13.1. Those outlined above within Sole and Single Sourcing.
- 13.2. As a result of an RFP process, if required.
- 13.3. With respect to RFT's, and RFQ's, the BMAHC may enter into negotiations with the lowest compliant bidder if the price bid is over the budgeted amount for the project. Should the BMAHC be unable to reach an agreement with the lowest compliant bidder, the BMAHC reserves the right to enter into negotiations with the next lowest compliant bidder, to cancel the bid opportunity or to present a report to the Board of BMAHC, whichever is deemed to be in the best interest of the BMAHC.

It is the responsibility of BMAHC to ensure that all competitive bidding options have been considered prior to the negotiation method being utilized.

14. Procurement in Emergencies

Notwithstanding the provisions of this by-law, an emergency purchase shall be made when an event occurs that is determined by the BMAHC Board to be an event requiring emergency procurement. Where, in the opinion of the Board an emergency procurement need has occurred, non-competitive procurement or negotiation methods may be utilized.

15. Non-Competitive Purchases

Under the direction and control of BMAHC, the requirement for competitive bid solicitation for goods and services may be waived under the authority of this Policy and replaced with Negotiations.

16. Request for Expression of Interest

Requests for Expression of Interest may be issued to prequalify vendors for various projects or purchases to obtain information on the availability and interest of suppliers of any goods or services. Requests for Expression of Interest may or may not result in the development of a list of available suppliers.

17. Request for Pre-Qualification (RFPQ)

RFPQ may be issued to prequalify vendors for various projects or purchases. The purpose of an RFPQ is to determine whether the qualifications of the bidder, as required by the BMAHC, are at a level that will allow participation in a subsequent bidding opportunity that takes place as a direct result of the Request for Pre-Qualification.

18. Request for Information (RFI)

An RFI may be issued in advance of a formal bid process to assist in the development of a more definitive set of terms and conditions, scope of work/service and the selection of qualified Vendors.

An RFI may or may not lead to a formal bid process.

19. Goods and Services Exempt from Purchasing Policy

The purchasing methods described in this Procedure do not apply to the following Goods and Services:

- a) Training and Education
- b) Registration, accommodation and tuition fees for conferences, conventions, courses and seminars
- c) Magazines, books and periodicals
- d) Memberships
- e) Staff development or staff workshops
- f) Refundable employee/Councillor expenses
- g) Advances
- h) Meal allowances
- i) Travel (fuel, accommodation etc.)
- j) Ongoing maintenance for existing computer hardware and software
- k) Employer's General Expenses
- l) Payroll Deduction Remittances
- m) Medicals
- n) Licenses
- o) Debenture payments
- p) Grants to Agencies
- q) Damage Claims
- r) Tax Remittances
- s) Insurance Premium payments
- t) Refunds to property owners (property tax, building permit, entrance permit, etc.)

- u) Professional and Special Services up to \$100,000 including:
 - a. Committee fees, witness fees
 - b. Reality services regarding lease, acquisition, demolition, sale, disposal or appraisal of land
 - c. Advertising services required in radio, television, newspaper or magazines
 - d. Bailiff or collection agencies
 - e. Freight charges
 - f. Utilities
- v) Performance/Artist's fees
- w) Employee Group Benefits
- x) All legal services and fees
- y) Professional and Special Services exceeding \$100,000 must be procured formally.

20. Authorizations

The Board of the BMAHC has the ultimate authority for all expenditures. The Board of the BMAHC provides the authority for the initiation and completion of procurement processes for goods, services and construction through the authorization of annual budgets or resolutions.

21. Board Approval Required

Despite any other provisions of this Policy, the following procurements, over \$24,999, excluding taxes, are subject to prior approval by the Board of the BMAHC:

- 21.1. Any contract requiring approval from the **Ontario Municipal Board**.
- 21.2. Any acquisition of goods or services that is not already approved in the current year's budget, such as items requiring pre-budget approval or post-budget amendments, must be reported to the Board in order to have the expenditure authorized via resolution.
- 21.3. Where the net revenue amount proposed for acceptance is lower than the Board approved budget.
- 21.4. Any contract where the award is not being recommended to the lowest compliant bidder, with the exception of Request for Proposals.

The ED will provide a report to the Board of the BMAHC on a monthly basis outlining all awards that are in excess of \$5,000.

22. Authority to Reallocate Approved Budget Funds

To ensure proper expenditure management and budget accountability, the ED is responsible for ensuring that all purchases remain within the BMAHC's approved operating budget or approved capital project budget, unless otherwise provided for in this policy.

Reallocation of funds between Operating Budgets and Capital Budgets is not permitted under any circumstances.

In order to allow purchases to proceed which exceed the approved budget, the Board shall have the authority to reallocate funds, without exceeding the aggregate budget within their control, under the following conditions:

Operating Budget

- 22.1. The shortfall for the purchase of the goods or service is less than \$10,000;
- 22.2. All changes must be one-time and shall not affect the base budget;
- 22.3. Reallocations may only occur within or between supplies and services accounts;
- 22.4. General scope of work or service delivery method cannot be changed;
- 22.5. The funding source must be the same for all accounts affected by the reallocation.

Capital Budget

- 22.6. The shortfall cannot exceed 20% of the project budget to a maximum of \$75,000;
- 22.7. General scope of work or service delivery method cannot be changed;
- 22.8. If reallocating funds from a capital project/component, the capital project/component in which funds are being transferred from must already be an awarded project/component;
- 22.9. Revised Bid Award Form must be completed when funds are reallocated;
- 22.10. The funding source must be the same for all accounts affected by the reallocation.

All other budget over-runs must be approved by the Board of the BMAHC before the Award is made.

23. Authority to Award

This section outlines the Authority to Award a Bid in accordance with the intent of the purchasing methods outlined in this policy.

The full amount, excluding applicable net taxes, for the supply of Goods, Services, or Construction shall be considered when determining the Authority to Award.

Authority to Award	Dollar Value	Method of Procurement if Formal or Informal	Method of Award
The Board of the BMAHC	Unlimited	n/a	Board Resolution
ED	\$24,999 or less	Tender or RFP	Bid Award Form

24. Authority for Payment

Authority for Payment in this schedule relates to payments of amounts contained in approved budgets or by Resolution only.

The numbers in this table are maximums.

Authority limits for payment are as follows:

Position	Detail	Limit
ED	Expenditures of \$24,999 or less	As per Board-approved Budget
The Board of the BMAHC	Unlimited	Board Resolution

25. Irregularities Contained in Bids

The following list of irregularities should not be considered all inclusive. The Board of the BMAHC and, as may be warranted, in consultation with any or a selection of the following, respective departmental staff of the Town of The Blue Mountains including the Chief Administrative Officer, and/or the BMAHC's Solicitor, shall review irregularities not specifically listed and, acting in the best interests of the BMAHC, have authority to waive such irregularities, permit correction to the irregularity or reject the submission.

	Irregularity	Response
1.	Late Submissions.	Rejection; not opened or read publicly. Submissions to be returned to the submitter.
2.	Insufficient Financial Security (No bid bond/deposit or agreement to bond or insufficient bid bond/deposit).	Automatic Rejection for no bid deposit. Automatic Rejection for no agreement to bond. 48 hours to correct shortfall in bid deposit if less than required by no more than 10%.
3.	Conditional Bids (Bids qualified or restricted by an attached statement).	Automatic rejection unless, in the opinion of the Department Head and Purchasing, the qualification or restriction is insignificant.

	Irregularity	Response
4.	Illegible or obscure Bids, non-initialed erasures, non-initialed alterations.	Automatic rejection.
5.	Documents, in which all necessary Addenda which have significant financial or scope implications in the opinion of the Purchasing Manager and user group, have not been acknowledged.	Automatic rejection.
6.	Documents in which all necessary Addenda which do not have significant financial or scope implications in the opinion of the Purchasing Manager and user group, have not been acknowledged.	48 hours to submit.
7.	Bids received from bidders who did not attend mandatory site visit(s).	Automatic rejection.
8.	Bids received on documents other than those provided by the BMAHC, when specified to do so.	Automatic rejection.
9.	Failure to insert the bidder's business name in the space(s) provided on Mandatory Submission Pages.	48 hours to submit.
10.	Failure to include signature of the person authorized to bind the bidder in the space provided on the Tender/Proposal Form.	48 hours to submit.
11.	More than one submission from the same submitter and not identified as an alternative or optional submission and no written withdrawal notice has been received.	The submission package bearing the most recent date/time stamp will be considered the intended submission and the previously date/time stamped submissions will be considered withdrawn and will be returned to sender, unopened.
12.	Bids containing mathematical errors.	If the amount tendered for a unit price item does not agree with the extension of the estimated quantity and the tendered unit price, or If the extension has not been

	Irregularity	Response
		<p>made, the unit price shall govern and the total price shall be corrected accordingly.</p> <p>If both the unit price and the total price are left blank, the Bid will be rejected as incomplete.</p> <p>If the unit price is left blank but a total price is shown for the item, the unit price shall be corrected according to the total provided.</p> <p>If the Tender contains an error in addition and/or subtraction in the approved tender documentation format requested (i.e. not the additional supporting documentation supplied), the error shall be corrected and the corrected total Contract price shall govern.</p> <p>Tenders containing prices which appear to be so unbalanced as to likely affect the interests of the BMAHC adversely will be clarified and may be rejected.</p>
13.	Other minor irregularities.	The Board of the BMAHC shall have authority to waive irregularities, which they consider to be minor.
14.	Any irregularity.	Despite all provisions herein contained, the Board of the BMAHC may waive any irregularity where it considers it to be in the best interest of the BMAHC.

26. Accessibility and Procurement

BMAHC is a major purchaser of goods and services. It is important that procurement processes are inclusive so that all vendors can participate, and all contracted parties are aware of the need to provide accessible goods and services.

Exclusions

n/a

References and Related Policies

Procurement Legislation and Guidelines

The Municipal Act, 2001, Part VI, Section 270, as amended states that before January 1, 2005, a municipality shall adopt and maintain a policy with respect to procurement of goods and services. Although procurement is governed by Contract Law, there are various Trade Agreements and Guidelines to be considered.

I Contract Law in Canada

A contract is any legally enforceable agreement. Any agreement to purchase is a contract if it involves the following elements:

- a. A legal offer that is clearly defined – offers must be unambiguous, not vague
- b. Acceptance of said offer. Acceptance terms must match offer terms
- c. Legal consideration – both parties have given something of value
- d. Legal purposes – contract must be of/for legal goods and/or services
- e. Legal intention – each participant must have intended to be part of the contract
- f. Competence – or legal capacity to enter into a contract

Verbal contracts – although legal and binding, are always vague and lack important terms and conditions; any deals should be in writing wherever possible.

II Trade Agreements

Canadian Free Trade Agreement
Comprehensive Economic Trade Agreement
Agreement on the Opening of Public Procurement for Ontario and Quebec
Agreement on Internal Trade

III The Discriminatory Business Practices Act

The purpose and intent of this Act is to prevent discrimination in Ontario on the ground of race, creed, colour, nationality, and ancestry, place of origin, sex or geographical location of persons employed in or engaging in business. R.S.O. 1990, c/ D.12, s. 2.

IV Conflict of Interest Act

It is a criminal offence when an elected politician, public official, BMAHC Board Member, BMAHC, contract entity, or government employee acts contrary to his or her duty to the public to obtain a personal benefit per Section 122 of the Criminal Code.

Consequences of Non-Compliance

Failure to adhere to the requirements outlined in this Policy may lead to progressive disciplinary action up to and including termination of employment.

Review Cycle

This Policy will be reviewed at least once every term of Council or when there are substantial changes to the Town of The Blue Mountains Procurement Policy.

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