



# Downtown Whitby BIA Procurement Policy

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<b>Name</b>	Procurement Policy
<b>Reference</b>	BoM Resolution #19-17
<b>Date Approved</b>	July 14th, 2017
<b>Date Revised</b>	N/A
<b>Approval</b>	Board of Management
<b>Point of Contact</b>	Treasurer

## Policy Statement

The Whitby Business Improvement Area will maintain an open, fair and competitive process to ensure that all goods and services are procured at the most economical value, without favouritism, and with consideration given to price, quality, quantity, service and delivery through the application of the highest standards of business ethics. The Town of Whitby will be consulted and involved in the BIA purchases as appropriate. The Downtown Whitby Business Improvement Area is committed to providing an accessible environment in which members, visitors and employees have equitable access to BIA programs, services and facilities in a way that respects the dignity and independence of each individual. The BIA is dedicated to ensuring that all legislated obligations under the Accessibility for Ontarians with Disabilities Act are met and that compliance with these standards is maintained. The BIA's practices will accommodate the accessibility considerations for persons with disabilities in the purchase of goods, services or facilities through the procurement process. Where it is determined to be not practicable for the BIA to incorporate accessibility criteria and features when procuring or acquiring specific goods, services or facilities, a written explanation will be provided, upon request.

## Objective

The purpose of this policy is to:

improve the efficiency of the procurement process;

- o promote the purchasing methods and purchasing "tools" outlined in the policy and procedures to allow staff to effectively carry out their responsibilities and acquire

goods on time;

- o ensure vendors be treated in a fair and equitable fashion;
- o ensure the integrity of the procurement process is adhered to, thereby ensuring that the members of the Downtown Whitby Business Improvement Area receive the best value and/or product for the best price possible;
- o ensure accountability to the public for procurement decisions, acquiring goods, services or facilities in a manner that incorporates, as required, the provision of the Ontario Human Rights Code, Ontarians with Disabilities Act, 2001, Accessibility for Ontarians with Disabilities Act, 2005, and its regulations as amended from time to time.

### **Authority**

The *Municipal Act*, 2001, Section 271 provides the statutory requirement for the municipality and the local board to adopt policies with respect to the procurement of goods and services by January 1, 2005.

### **Scope and Application**

This policy shall apply to the Whitby Business Improvement Area Board of Management thereof. However, the Town of Whitby's Purchasing Policy will take precedence over this policy when the Town is purchasing on behalf of the BIA.

### **General:**

#### **1. Definitions**

<b>Term</b>	<b>Definition</b>
<b>Accessibility</b>	A term defined by the Ontario Government as giving people of all abilities opportunities to participate fully in everyday life.
<b>Acquisition</b>	the process of obtaining goods and services
<b>Agreement</b>	means a formal written legal agreement or contract for the supply of goods, services, equipment or construction
<b>Barrier</b>	Means anything that prevents a person with a disability from fully participating in all aspects of society because of the person's disability, including a physical barrier, an architectural barrier, an information or communications barrier, an attitudinal barrier, a technological barrier, a policy or a practice; ("obstacle")

<b>Bid Deposit</b>	means currencies, certified cheques, bond surety issued by a surety company or other form of negotiable instrument to ensure the successful bidder will enter into an agreement
<b>Bidder</b>	the person, firm or corporation submitting an offer to the BIA
<b>Board (or Board of Management)</b>	means the Whitby Business Improvement Area consisting of a body of appointed members
<b>Executive Director</b>	means the appointed executive deemed responsible for administering the business concerns of the Whitby Business Improvement Area
<b>Committee</b>	a committee composed of one or more members of the Whitby Business Improvement Area, or a Committee appointed or approved by the Board
<b>Consulting and Professional Services</b>	services requiring technical skills provided for a fee on the basis of a defined project or undertaking to recommend and assist in implementing solutions; and may include management and financial consultants, and other consulting and professional services rendered on behalf of the BIA
<b>Co-operative Purchasing</b>	refers to the participation of two or more public agencies in a tender call
<b>Disability</b>	means <ul style="list-style-type: none"> <li>a) any degree of physical disability, infirmity, malformation or disfigurement that is caused by bodily injury, birth defect or illness and, without limiting the generality of the foregoing, includes diabetes mellitus, epilepsy, a brain injury, any degree of paralysis, amputation, lack of physical co-ordination, blindness or visual impediment, deafness or hearing impediment, muteness or speech impediment, or physical reliance on a guide dog or other animal or on a wheelchair or other remedial appliance or device,</li> <li>b) a condition of mental impairment or a developmental disability,</li> <li>c) a learning disability, or a dysfunction in one or more of the processes involved in understanding or using symbols or spoken language,</li> <li>d) a mental disorder, or</li> </ul>

	e) an injury or disability for which benefits were claimed or received under the insurance plan established under the <i>Workplace Safety and Insurance Act, 1997</i> ; (“handicap”)
<b>Emergency</b>	means a situation with potential to cause harm, death to persons; accrue liability to the BIA; cause damage to property; or hamper the BIA’s operation and thus warrants operating outside of the requirements
<b>Goods and Services</b>	includes supplies, equipment, labour, materials, products, maintenance and service to be done, furnished or performed by a company or individual that are the subject of the contract with accessibility considerations for persons with disabilities
<b>Informal bid</b>	means a bid containing an omission or variation which does not adhere to the Information to Bidders and which may be cause to disqualify the bid
<b>Information to Bidders</b>	means the instructions and information given to prospective bidders in a request for quotation, tender or proposal
<b>Irrevocable Letter of Credit</b>	means an irrevocable letter which shall be unconditional and on the Downtown Whitby Business Improvement Area’s standard form containing a request that the party to whom it is addressed pay the bearer or a person named therein money as a result of failure to perform or fulfil all the covenants, undertakings, terms, conditions, and agreements contained in a contract
<b>Labour and Materials Payment Bond</b>	means a bond issued by a surety company to ensure that the contractor has paid his or her suppliers and thereby protects the Downtown Whitby BIA against items which might be granted to suppliers should the contractor not make proper payments
<b>Performance Bond</b>	means a bond issued by a surety company executed in connection with a contract and which secures the performance and fulfilment of the undertakings, covenants, terms, conditions and agreements contained in the contracts
<b>Personal Purchases</b>	means a purchase of goods or services requested by a Board Member or by any employee of the Downtown Whitby BIA in which the purchase is not for the BIA or its purpose but is for the benefit and use of the person requesting such purchase

<b>Proposal</b>	means a sealed bid which contains an offer to perform a specified function or service or supply goods at a particular price where specifications may be difficult to define or are restrictive in nature
<b>Purchase Order</b>	means the purchasing document used to formalize a purchasing transaction with a supplier
<b>Qualified Bid</b>	means a limited or conditional offer that modifies or does not meet some important terms, condition or specification of the bid invitation, which limitation or condition may constitute grounds to disqualify the bid
<b>Quotation</b>	means a sealed bid received as a result of a written or verbal request by the Downtown Whitby BIA for the supply of goods or services
<b>Requisition</b>	(or Purchase Requisition) means a written or electronically produced request in an approved format and duly authorized to obtain goods or services
<b>Sealed Bid</b>	means a formal sealed response received as part of a quotation, tender or proposal
<b>Staff</b>	An employee of the Downtown Whitby BIA
<b>Surety</b>	means cash, certified cheque, bid bond, performance bond, labour and materials payment bond, irrevocable letter of credit or any other form as deemed necessary and stated in the terms and conditions within a tender
<b>Systems Contract</b>	refers to a master agreement between the BIA and a supplier to facilitate the re-ordering of repetitive use material and place it at the point of consumption with the lowest possible administration costs. The process involves the supplier carrying inventory
<b>Tender</b>	means a sealed bid which contains a written offer in a specified form received from a supplier in response to a public invitation to supply goods or services at a particular price and which is opened publicly and subject to final approval by the Board
<b>BIA</b>	means the Downtown Whitby Business Improvement Area

## 2. Responsibilities

- a. **The Downtown Whitby Business Improvement Area Board of Management to:**
  - i. Approve and adopt this policy.
  - ii. Actively support the Purchasing Policy.

- iii. Approve amendments as required.
- b. **Executive Director to:**
  - i. Approve amendments to this policy which are minor in nature and which do not result in a change to the intent of the policy.
  - ii. Be responsible for and ensure that all expenditures are in compliance with the purchasing and budget policies.
  - iii. Recommend necessary amendments to this policy for the consideration of the Board.
  - iv. Provide final interpretations and rulings in regard to the interpretation and implementation of this policy.
  - v. Prepare and maintain administrative procedures required to implement the provisions of this policy.
  - vi. Present such administrative procedures to the Chair of the Board of Management and the Treasurer for their approval.
  - vii. Acquire goods and services, including the leasing or rental of such goods and services in an efficient and cost-effective manner.
  - viii. Make all purchases on a competitive basis, without favouritism, at the lowest overall cost consistent with quality, quantity, service and delivery except where a non-competitive commodity is required.
  - ix. Ensure the greatest value for the Downtown Whitby Business Improvement Area by exercising professional purchasing practices, free from influence and interference, and encourage where practical, standardization and open and competitive bidding.
  - x. Participate in negotiating major contracts. (reference NEGOTIATIONS, Clause 10)
  - xi. Participate in co-operative purchasing plans with other organizations or levels of government where it is deemed beneficial to the Business Improvement Area.
  - xii. Promote the purchasing methods and tools outlined in this policy to allow staff to effectively and efficiently carry out their responsibilities and acquire goods on time.
  - xiii. Develop and maintain a database of reliable sources of supply.
  - xiv. Where directed, act as the BIA's designated agent for the commitment of financial resources for the acquisition of goods and services, comply with approved purchasing policies and procedures, prepare Treasurer's Reports to the Board regarding the award of tenders, quotes and proposals.
  - xv. Be responsible for the disposal of goods, equipment, supplies, and materials which have been declared surplus, worn-out or obsolete by the respective department head. Surplus material is to be disposed of by transferring to another department, returning to supplier, trading in on new equipment, advertising for sale, selling at Regional Auction or disposal. When possible, disposal will be done in coordination and conjunction with the Town of Whitby.
  - xvi. Maintain vendor information by commodity and by supplier.

- xvii. Co-ordinate the issuance of all tenders, quotations and proposal calls and receive submissions.
- xviii. Ensure the provision of Systems Contracting for the acquisition of office supplies, janitorial items and other repetitively used materials, operates efficiently and in such a manner as to remain beneficial to the BIA.
- xix. Be authorized (or his/her designate) to sign/issue purchase orders or purchase commitment agreements that are in accordance with this policy.
- xx. Meet with BIA staff to determine methods and procedures to use for the acquisition of operating and budget items.
- xxi. Assist departments in the exchange and return goods that do not comply with the purchase contract or reconciling complaints which contradict the terms of the purchase contract.
- xxii. Ensure end users, working with the assistance of the Treasurer or designate, be responsible for the preparation of formal specifications when required.
- xxiii. Specifications shall be definitive as to quantity, quality and/or function. The Treasurer or designate shall review all specifications to determine if they are in the appropriate form, indicate the minimum acceptable quality level, are commercially practical and in sufficient generic form to ensure competitive bidding.
- xxiv. Retain records of all purchasing transactions for at least two years and tenders, quotes and proposals for seven years.

### **3. Authorities and Dollar Limits**

- a. The acquisition process shall be performed in accordance with the general principles of the Professional Code of Ethics, established by the Purchasing Management Association of Canada (see Appendix C) and shall apply to all staff and board members involved in the procurement process. Where funds are provided as defined in the appropriate budget, the Executive Director or their designate shall purchase the goods and services in accordance with the following policies.
- b. Where a requirement for goods and services is estimated to have a total purchase price less than \$200 and is not covered by a blanket order, staff have the choice of obtaining requirements themselves on the understanding that staff use established procedures. Staff must use the "blanket order" when these have been established for specific goods and services.
- c. Goods and services with an estimated total purchase greater than \$200 and not exceeding \$1,000 shall be obtained by whatever method of communication deemed appropriate by the Treasurer or their designate. After consultation with the Executive Director, an award shall be determined based upon terms and conditions beneficial to the DWBIA.
- d. Three informal quotations shall be obtained, if possible, for purchases between \$1,000 and \$10,000 and shall be so documented. The Executive Director, upon

consultation with the Treasurer or their designate shall approve an award upon such terms and conditions that are deemed beneficial to the BIA on the understanding that the objectives of the purchasing policy in any competitive or direct purchase are met. A Treasurer's Report to the Board is only required if cost exceeds budget.

- e. The Executive Director shall solicit a minimum of three formal written quotations for goods and services with an estimated total purchase price greater than \$10,000 and not exceeding \$15,000. Where the compliant quotation meeting the specifications and offering the best value to the BIA is acceptable, and subject to consultation with the Treasurer, The Executive Director shall approve the award. A Treasurer's Report to the Board is only required if cost exceeds budget.
- f. Goods and services with an estimated total purchase price greater than \$15,000 shall be obtained by the Executive Director by sealed public tender. Tenders will be advertised in a publication of general circulation, on the Internet, or by invitation from a list of qualified bidders, or a combination thereof. Tenders will be issued, received and opened by the Executive Director or designate in public in accordance with established procedures, including the determination of tender irregularities included in Appendix "B". Tenders that are late, illegible, unsigned, contain insufficient deposit, contain non certified cheques, or do not include a deposit, bond or surety, shall be rejected. The terms and conditions of the deposit, bond or surety are subject to the approval of the Treasurer and in consultation with the Town of Whitby, when appropriate.
- g. In case of purchase arrangements that exceed one year or allow for extension for more than one year subject to satisfactory negotiations, and the value of the original term or value of any extension will result in the total contract price exceeding \$15,000 the report recommending acceptance shall reflect this.
- h. After consultation with the Treasurer, the Executive Director will prepare a Treasurer's Report to the Board for consideration of the recommendation.

#### **4. Exemptions**

- a. Items listed in Appendix "A" are excluded from the requirements of this policy and are not governed by the issuance of a purchase requisition or purchase order. These items must have been provided for in the Current or Capital Budgets of the BIA and shall be subject to all other limitations and conditions within this policy. Notwithstanding, the Executive Director is expected to provide details to the Treasurer of any contractual arrangements (under Appendix "A") with third parties that exceed \$15,000 annually or are for more than one year. These include, but are not limited to arrangements for insurance and brokerage, counseling, banking, audit, and legal.

## **5. Proposals**

- a. Purchases may be made through the use of proposals (Request for Proposals) in those specific situations where a product and/or service cannot be adequately specified (i.e. technical products or specialty services). When appropriate, proposals shall be called by public advertisements and/or invitation. Quality, technical criteria, references and fees are some of the weighted criteria to be specified in a proposal call and shall be the basis for the evaluation of all submissions. The proponent with the highest overall weighted score is recommended for selection by an evaluation committee. The broad criteria may vary from project to project but should encompass experience, knowledge, professional reputation and integrity, stability, financials and specialty capabilities. Proposals shall be issued, received, opened and checked by the Executive Director or designate in accordance with established procedures. An evaluation committee will normally include the Treasurer, the Executive Director or designate, representatives from the Board's Finance and Audit committee, and, often other affected users.
- b. Where it has been determined that proposals are to be used and the total purchase price is not greater than \$25,000 three informal proposals shall be obtained. The evaluation committee members shall analyze the proposals, tabulate the results and recommend an award. The Town of Whitby shall be consulted when appropriate. A purchase order shall be issued for the requirement. A Treasurer's Report to the Board is only required if cost exceeds budget.
- c. Where it has been determined that proposals are to be used and the total purchase price is greater than \$25,000 at least three written formal proposals shall be obtained, wherever possible. The evaluation committee members shall analyze the proposals, tabulate the results and determine a recommendation for award. The Town of Whitby shall be consulted when appropriate. A purchase order shall be issued for the requirement. A Treasurer's Report setting out the recommendation shall be submitted to the Board for consideration of the recommendation.

## **6. Consulting and Professional Services**

- a. Where it is estimated that Consulting and Professional Services cost is not greater than \$25,000 and the funds are provided as defined in the appropriate budget, the Treasurer, in conjunction with the Executive Director, shall either:
  - i. obtain written approval from the Board of Management to acquire the services of a particular company or individual; OR
  - ii. obtain written proposals; the Executive Director, in conjunction with the Treasurer shall determine the award. A Treasurer's Report to the Board is only required if cost exceeds budget.

- b. Where it is estimated that Consulting and Professional Services will cost over \$25,000 and the funds are provided as defined in the appropriate budget, the Executive Director, in conjunction the Treasurer, shall either:
  - i. submit a report to the Board of Management to obtain approval to acquire the services of a particular company or individual; OR
  - ii. obtain written proposals and obtain Board approval of the recommended Consultant.
- c. Where it is decided to obtain written proposals, established procedures must be followed.

## **7. Repetitive Projects/Assignments for Consultants for Continuous Service**

- a. Where it has been deemed beneficial to the BIA to retain a Consultant on a project where previous involvement in earlier stages of the project may have ensued, the funds are provided as defined in the appropriate budget, and the cost shall not exceed \$25,000, the Executive Director may approve an exemption from the terms of this policy outlining the reasons for so doing. For projects over \$25,000 the Executive Director shall submit a report to the Board requesting an exemption from the terms of this policy outlining the reasons for so doing.

## **8. Bid Opening, Evaluation and Award**

- a. Bid submissions are opened in public in accordance with the closing time, date and location specified in the bid request. Members of the public may attend bid openings or may receive the information via the tender results phone line made available after the bid opening.
- b. All bid submissions are subject to evaluation after opening and before award of contract.
- c. Bids may be evaluated not only on the price submitted but also on quality, delivery, service, equipment and facilities, and the capability of the bidder to meet the requirements and/or criteria specified in the document.
- d. After contracts have been awarded, information is available to the public, subject to the provisions of the Freedom of Information and Protection of Privacy Act.

## **9. Pre-Qualification**

- a. Suppliers of goods, services and construction may be pre-qualified prior to the issuance of a call for tenders. The qualification process must be consistent with the principles of open and fair access to the opportunity as specified in this policy.

- b. The purpose of the pre-qualification process is to select a number of bidders prior to the competitive sealed bid process. The process further ensures that each bidder can demonstrate that they have the ability to provide the necessary resources and expertise to satisfactorily complete the work required. The following provide some circumstances where the pre-qualification process would be considered:
  - i. the work involved is complex
  - ii. may contain multi-faceted activities
  - iii. may require specialized expertise, equipment, materials or financial requirements.
  
- c. Whether a competitive sealed bid or a proposal call will follow, the pre-qualification is the first step and would set out the criteria requiring bidders to provide information such as:
  - i. experience on similar work, specifying the firm and the staff that were assigned
  - ii. references provided from previous clients on similar work performed
  - iii. resumes of key supervisory personnel who would be assigned to the work
  - iv. verification of applicable licenses and certificates
  - v. health and safety policies
  - vi. financial capabilities
  - vii. indication of the firm's liability insurance limits
  - viii. a completed Canadian Standard Form of Contractor's Qualification Statement (CCDC-11 -1996). This is an industry-accepted form which outlines the contractor's qualifications and allows for the inclusion of details of experience related to this type of work
  
- d. The pre-qualification process is advertised (either in the Daily Commercial News, local paper or both) and specifies all of the information addressed above. Further, the advertisement makes two important statements, as follows:
  - i. "Any incomplete submission or submission that fails to provide all of these requirements may be subject to disqualification".
  - ii. "The Downtown Whitby Business Improvement Area reserves the right to reject any or all submissions and to limit the number of general contractors who will be invited to tender this project, and to select only

those contractors which the BIA deems most appropriate and most qualified to undertake this project.”

- e. An evaluation committee will normally include the Treasurer, the Executive Director, representatives from the Finance and Audit Committee, and, often other affected users. Prior to the submissions being received, the committee will establish the weighting to the criteria that has been specified in the advertisement and come to agreement as to the number of respondents that will be shortlisted. Upon receipt of the submissions, the committee then evaluates and ranks the submissions and recommends the short list of acceptable bidders to participate in the subsequent competitive sealed bid. The Town of Whitby shall be consulted when appropriate.

## **10. Negotiations**

- a. The Executive Director, in conjunction with the Treasurer, is authorized to enter into negotiations without formal competitive bids, under the following circumstances:
  - i. Where there is only one known source of supply;
  - ii. Where two or more identical bids are received;
  - iii. When bids have been solicited and no responsive bid has been received, or the lowest bid received exceeds the estimated cost;
  - iv. When all bids fail to comply with the specifications or conditions and it is impractical to recall;
  - v. Where the extension or reinstatement of an existing contract would prove most cost-effective or beneficial;
  - vi. When due to market conditions, required goods or services are in short supply;
  - vii. Emergencies, which could not be foreseen, that could be a threat to public health or safety, and require immediate delivery of supplies and/or performance of service;
- b. The methods of negotiation shall be those accepted as standard negotiating procedures that employ fair and ethical practices. The information pertinent to and the results of all such negotiations shall be reported to the Finance and Audit Committee.

## **11. Sole Source Procurement and Justification**

- a. The procurement of materials, parts, supplies, equipment or services without competition, is done under exceptional and limited circumstances.

- b. Sole source items require detailed documentation to justify the purchase and to ensure that the cost proposed by the vendor is reasonable. A Sole Source justification letter or memo must accompany the requisition and be signed by the Executive Director. A recommendation to approve a purchase under a sole source justification for an amount in excess of \$25,000 must be approved by the Board.
- c. Sole source suppliers may be used in the following instances:
  - i. When products or services can be obtained from only (1) person or firm
  - ii. The expertise of an individual organization or individual is deemed specifically required by the BIA
  - iii. Patents, copyrights, control of raw material or other such conditions preclude competition
  - iv. Regulations by utility companies prohibiting unrelated companies to perform work on their systems
  - v. When the procurement is for technical services in connection with the assembly, installation or servicing of equipment of a highly technical or specialized nature
  - vi. When the procurement is for parts or components to be used as replacements in support of equipment specifically designed by the manufacturer
  - vii. The contractor is already at work on the site (based on existed contracted job and/or service)
  - viii. Health and Safety/emergency situations

## **12. Emergency Purchase**

- a. Under circumstances where the immediate purchase of goods or services is essential to prevent serious delays, further damage, threat to life, restore minimum service, the employee shall, on the approval of the appropriate Department Head (or their designate) obtain such goods and services at the lowest attainable prices given considering the emergency nature of the situation
- b. In the event that the purchase amount exceeds \$500, the Treasurer is to be notified at the earliest possible time.
- c. In the event that the purchase amount exceeds \$5,000 the Treasurer and the Board Chair shall be notified and report of the incident shall be submitted to the Board at the earliest possible time.

### **13. Co-operative Purchasing**

- a. The Executive Director may enter into arrangements with the Town of Whitby, other Municipalities, local boards and other public bodies or public authorities on a co-operative or joint venture basis where there are economic advantages and where the best interests of the BIA would be served in so doing; providing that under such arrangements the method of acquisition used is a competitive method similar to that described in this policy; and the awarding and reporting of such contracts is generally in accordance with the requirements of this policy. In such cases, the BIA will not be required to obtain further quotes.

### **14. Accessibility**

- a. When procuring goods, services and facilities, the BIA will incorporate accessibility considerations. Where applicable, procurement documents will specify the desired accessibility considerations to be met and provide guidelines for the evaluation of proposals in respect of those considerations. Where it is impractical for the BIA to incorporate accessibility considerations when procuring or acquiring specific goods, services or facilities, the Executive Director will provide a written explanation, on request.

### **15. Disposal of Surplus Goods and Equipment**

- a. The Executive Director is authorized to dispose of surplus or obsolete goods and equipment if no longer useful for BIA purposes by:
  - i. general advertising to secure sealed bids;
  - ii. direct contact with appropriate dealers to view the used goods and submit offers to purchase;
  - iii. public auction; or
  - iv. other methods as deemed appropriate
- b. When possible, disposal will be done in coordination and conjunction with the Town of Whitby.
- c. The revenue from the sale of used goods and equipment shall be credited to the Miscellaneous Recovery account.

### **16. Prohibitions**

- a. No employee or member of the Downtown Whitby BIA Board of Management shall bid on the sale of goods except those disposed of by public auction. This restriction shall not apply to the disposal of used equipment at a fixed price less than \$100.00;

- b. No personal purchases shall be made by the BIA for any employee or member of the BIA Board, unless specifically authorized by the Board; and
- c. No requirement for goods or services shall be divided to avoid the requirements of this policy and the total project or annual requirement shall be considered.

### **17. Confidentiality**

- a. No employee or any Board Member shall divulge unit prices paid by the DWBIA for goods, works and/or services unless the Board may otherwise direct, except that the total price in the case of public tenders or quotations may be revealed.

### **18. Code of Purchasing Ethics**

- a. In order to maintain and promote simplified standards and specifications, all staff involved in the procurement process subscribe to the general principles and purchasing ethics guidelines established by the Purchasing Management Association of Canada (see Appendix C).

### **19. Administrative Procedures**

- a. This policy shall be read in conjunction with any written administrative procedures.

## Appendix "A"

### Exemptions

The following items are excluded from the requirements of this policy in that the expenditures do not require a purchase requisition or a purchase order. It is anticipated, however, that the objectives of this policy will be promoted in any expenditures for goods or services.

1. Petty Cash
2. Training and Education
  - a) Conference, course, convention and seminar
  - b) Magazines, books, periodicals, subscriptions
  - c) Membership
3. Refundable Employee Expenses
  - a) Advances
  - b) Meal Allowances
  - c) Travel
4. Special Fees
  - a) Counseling Service
  - b) Medical Service
  - d) Banking, brokerage or underwriting service
  - e) Insurance and related costs (Liability, Property etc. Premiums, Payments and Adjusting Fees)
5. Professional Fees
  - a) Consultant fee related to litigation
  - b) External Auditor
  - c) Legal services fee
6. Utility Services
  - a) Gas
  - b) Sewer and Water
  - c) Postage and related costs
  - d) Hydro
  - e) Telephone
7. Tenders or quotations for goods or services to be provided by Utilities, Provincial or Federal Agencies, Crown Corporations, Municipalities, public agencies, when similar goods or services are not available from other sources.

## Appendix “B”

### Tendering Irregularities

Tender irregularities will be dealt with as specified below:

<b>IRREGULARITY</b>	<b>RESPONSE</b>
Late bids.	Late bids will not be accepted and will be returned unopened. Bids will be deemed to have been received when the envelope has been stamped with the time and date of receipt by BIA staff.
Specified tender envelope, or label, not used.	Automatic Rejection, unless specified otherwise.
Tender envelope not sealed.	Unsealed bids will not be accepted for deposit in the tender box.
Bids not completed in ink.	Automatic rejection.
Bid does not meet major and mandatory specifications.	Automatic rejection.
Bid does not acknowledge addenda.	Automatic rejection.
Tender form does not have bidder's Corporate Seal or statement "I have the authority to bind the Corporation" but has bidder's signature.	One working day to correct.
Original ink signature missing from signature page.	Automatic rejection.
	Automatic rejection.

IRREGULARITY	RESPONSE
<p>Bids received on documents other than those provided in the request</p> <p>Bid security</p> <p>a) Signature of bidder and/or bonding company missing when bid bond requested.</p> <p>b) Not provided or not in the form and amount specified.</p> <p>c) Not sufficient.</p>	<p>Automatic rejection.</p> <p>Automatic rejection</p> <p>Automatic rejection.</p> <p>Where security is required and amount of security is expressed as a percentage of the total tender sum, automatic rejection unless the insufficiency is trivial or insignificant.</p> <p>Where security is required and the amount of security is specified in request, automatic rejection.</p>
<p>Agreement to provide performance securities is not provided or is not in the form specified.</p>	<p>Automatic rejection.</p>
<p>Part bids (all items not bid).</p>	<p>Automatic rejection, unless allowed for in the request.</p>
<p>Bids containing minor clerical errors.</p>	<p>One working day to correct and initial errors. The BIA reserves the right to waive initialing and accept tender.</p>
<p>Changes to bid documents that are not initialed and are minor (e.g. tenderer's address is amended by over-writing but not initialed.)</p>	<p>One working day to correct and initial change. The BIA reserves the right to waive initialing and accept tender.</p>
<p>Unit prices in Schedule of Prices have been changed but not initialed.</p>	<p>One working day to correct. The BIA reserves the right to waive initialing and accept tender.</p>
<p>Other mathematical errors which are not consistent with unit prices.</p>	<p>Unit prices shall govern and the tender will be corrected accordingly. The BIA reserves the right to waive initialing and accept the tender as corrected.</p>

Failure to return the documents as specified.	Where complete documents are specified, automatic rejection.
Bid received from a bidder who was not approved as a qualified bidder from a pre-qualification process.	Automatic rejection.
Bid received from a bidder who did not sign-in at mandatory site visit when instructed to do so in the tendering instructions.	Automatic rejection.
Pages are missing from bid.	One working day to supply the missing pages where in the opinion of the BIA, the missing pages(s) would not directly affect the bid submitted. The BIA reserves the right to waive the need to receive the missing pages and accept the tender or to reject the tender outright at the discretion of the Department Head.
Bid which suggests that the bidder has made a major mistake in calculations.	Decision will be on a case-by-case basis in consultation with Support Services.
Withdrawal of bids.	Withdrawal of bid after closing time will not be allowed.
Tie bid.	Support Services may use one of the following methods of dealing with tied bids, based upon the specific situation.  <ul style="list-style-type: none"> <li>· Negotiate with the tied bidders to break the tie.</li> <li>· Request the tied bidders to submit new bids.</li> </ul>
Completion date is other than specified in the tendering specifications.	One working day to clarify the completion date being offered. The BIA reserves the right to waive the clarification of the completion date and accept the tender, or to reject the tender outright.

## Appendix “C”

### Code of Purchasing Ethics

Excerpted from Purchasing Management Association of Canada,  
Professional Code of Ethics

#### Values and Norms of Ethical Behaviour

A. **Values** – Operate and conduct decisions and actions based on the following values:

1. **Honesty/Integrity** – maintaining an unimpeachable standard of integrity in all business relationships both inside and outside the organization
2. **Professionalism** – fostering the highest standards of professional competence
3. **Responsible Management** – optimizing the use of resources so as to provide the maximum benefit to the organization
4. **Serving the Public Interest** – not using authority of office for personal benefit, rejecting and denouncing any business practice that is improper;
5. **Conformity to the Laws** -- in terms of federal and provincial laws, company policies, and contractual obligations.

B. **Norms of Ethical Behaviour**

1. To consider first, the interest of the organization in all transactions and to carry out and believe in its established policies.
2. To buy without prejudice, seeking to obtain the maximum value for each dollar of expenditure.
3. To subscribe to and work for honesty in buying and selling and to denounce all forms of improper business practice.

#### Guidelines for General Rules of Conduct:

1. **Declaration of Interest** – any personal interest which may impinge or might reasonably be deemed by others to impinge on a member’s impartiality in any matter relevant to his/her duties should be immediately declared to his or her employer.
2. **Confidentiality and Accuracy of Information** – the confidentiality of information received in the course of duty must be respected and should not be used for personal gain; information given in the course of duty should be true and fair and not designed to mislead.
3. **Fair Competition** – while considering the advantages to the employer of maintaining a continuing relationship with a supplier, any arrangement which might prevent the effective operation of fair competition should be avoided.
4. **Business Gifts** – to preserve the image and integrity of the employer and the purchasing process, business gifts other than items of small intrinsic value should not be accepted. Reasonable hospitality is an accepted course of a business relationship. The frequency and nature of gifts or hospitality accepted should not be

allowed whereby the recipient might be or might be deemed by others to have been influenced in making a business decision as a consequence of accepting such hospitality or gifts.

5. **Discrimination and Harassment** – no person shall knowingly participate in acts of discrimination or harassment towards any person that he or she has business relations with.
6. **Environmental Issues** – recognize the responsibility to environmental issues consistent with the corporate goals or missions.