

Policy No:	PS – 003
Department:	PROCUREMENT SERVICES
Subject:	CORPORATE PROCUREMENT POLICY

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1. Preamble

Purpose

- 1.1 This document details the Policy to be followed when purchasing goods, services or construction for the City of Vaughan (“the City”). The purpose is to ensure that, goods, services and construction are acquired at the best value for money in an open, fair and transparent manner, thereby protecting the integrity of the process, the reputation of the City, and the confidence of both the public and the participants in the procurement process.

Mission

- 1.2 The mission of the Procurement Services Department is to drive value for money for the City and its citizens through fair competition and leading procurement practices.

Goals and Objectives

- 1.3 The goals and objectives of this Procurement Policy are to:
- a) establish standard rules governing the procurement of goods, services and construction by City staff;
 - b) obtain quality goods, services and construction at a cost that provides the best value for the City;
 - c) support a procurement process that is efficient and responds to the City’s business needs in a timely manner;
 - d) encourage competition and ensure that vendors are treated consistently and fairly during the entire procurement process;
 - e) ensure openness, accountability and transparency while protecting the financial interests of the City;
 - f) avoid conflicts between the interests of the City and those of the City’s employees, Members of Council and vendors;
 - g) specify roles, responsibilities and accountabilities of individuals throughout the procurement process; and,

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- h) take into account environmental and ethical considerations in procurement decisions where possible by having regard for the City’s related policies and initiatives (e.g. Green Directions Vaughan).

Application

- 1.4 This Procurement Policy shall apply to the procurement of goods, services and construction for the purposes of carrying out the business of all City departments.
- 1.5 All procurements undertaken by the City and its employees shall be executed in accordance with:
 - a) the Procurement Policy and any other relevant or related City policies, procedures or initiatives;
 - b) all applicable City Business License requirements and City Codes of Conduct; and,
 - c) the Municipal Conflict of Interest Act and any other applicable Municipal, Provincial or Federal legislation.
- 1.6 This Procurement Policy shall not apply to the procurement of those goods, services and construction set out in Section 19.4 - Exemptions.

Guiding Principles

- 1.7 The overarching principle guiding this Policy is to maintain the public’s trust and reduce the City’s exposure to legal liability by ensuring that procurement decisions are made using a procurement process that is ethical, open, transparent and fair.
- 1.8 In procuring goods, services and construction the City also adheres to the following guiding principles:
 - a) promote effective, economic, and efficient acquisition;
 - b) act and conduct business with honesty and integrity, avoiding even the appearance of impropriety;
 - c) treat vendors equitably, without discrimination;
 - d) develop, support, and promote the highest professional standards in order to serve the public good;
 - e) maintain a customer-service focus while meeting the needs, and protecting the

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interests, of the organization and the public;

- f) comply with international, federal and inter-provincial trade treaties or agreements and fair labour practices, where applicable;
- g) comply with and incorporate the requirements of the Accessibility for Ontarians with Disabilities Act, 2005, S.O. 2005, c. 11, as amended (the ‘AODA’) in procurement activities of the City as well as any requirements contained in other legislation (either provincial or federal) which may impact the procurement activities of the City;
- h) encourage, whenever possible, the procurement of goods, services and construction with due regard to the conservation of a natural environment;
- i) support effective business planning such that goods, services and construction will only be acquired after consideration of need, alternatives, timing and appropriate life cycle management issues; and
- j) in evaluating competitive bids, where possible, the City will consider the ‘Total Cost of Ownership’ including, but not limited to, acquisition, operating, training, maintenance, quality, warranty, payment terms, and disposal costs.

Ethical Conduct

- 1.9 Procurement Services strives for the highest standard of ethical practice in all business relationships with vendors and as such, complies with the ethical codes of the Ontario Public Buyers Association (OPBA), Supply Chain Management Association (SCMA) and the National Institute of Governmental Purchasing (NIGP). (See links to these documents at <https://www.vaughan.ca/cityhall/departments/ps/Pages/default.aspx>).
- 1.10 Fundamentally, it is expected that City employees and Members of Council shall not knowingly cause or permit anything to be done or communicated to anyone which is likely to result in any potential Vendor having an unfair advantage or be disadvantaged in obtaining a Contract for the supply of goods, services or construction to the City.

Members of Council

- 1.1.1 The City’s Code of Ethical Conduct for Members of Council was written and adopted to establish rules that guide the Mayor and all Members of Council in performing their diverse roles in representing their constituents and recognize Members’ accountability for managing City resources allocated to them.

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1.1.2 Ethics and integrity are at the core of public confidence in government and in the political process. Members of Council have and must recognize their obligation to not only obey the law, but to go beyond the minimum standards of behaviour and act in a manner that is of the highest ethical ideals so that their conduct will bear the closest public scrutiny. The private interest of Members of Council must not provide the potential for, or the appearance of, an opportunity for benefit, wrongdoing, or unethical conduct.

1.1.3 The Members of Council shall abide by the principles and rules laid out in relation to all procurement matters in the Code of Ethical Conduct for Members of Council policy, as amended.

Employees of the City

1.1.4 The City expects all its employees to conduct themselves in a manner that reflects the City’s commitment to the principles of honesty, integrity, objectivity, diligence, and professionalism in delivering services to the public.

1.1.5 City employees must follow standards of ethical and professional behaviour in the course of their work to ensure that public confidence and trust is maintained. The Employee Code of Conduct policy, as amended, establishes standards designed to promote and protect the public interests through honest and ethical conduct which enhances public confidence and trust in the integrity, objectivity and impartiality of the City.

1.1.6 The Employee Code of Conduct policy, as amended, is consistent with the City’s values of respect, accountability and dedication. All employees of the City are required to comply with this Policy and be aware of the policies, procedures, laws and regulations that affect their job.

Vendors

1.1.7 The City is committed to purchasing goods, services and construction from responsible vendors that supply quality services and products at competitive prices and abide by ethical standards and norms. Thereby, the City expects that vendors will comply with all applicable international, federal, provincial, and municipal laws, regulations, standards, and codes relevant to the performance and execution of vendor’s obligations under a contract with the City. This includes the adoption of appropriate labour standards and worker rights throughout their supply chains in line

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with principles set out in International Labour Organization (ILO) conventions on human and employee rights.

- 1.1.8 Vendors shall not discuss or communicate, directly or indirectly, with any other vendor or another vendor’s agent or representative about the preparation of its submission in response to a City procurement request including, but not limited to, any connection, comparison of figures or arrangements with, or knowledge of any other vendor making a separate submission for the same work.
- 1.1.9 Vendors, or any representatives employed or retained by vendors, shall not, either verbally or in writing, discuss or communicate with any City employee or Member of Council in relation to any procurement request between the time of the issuance of the request and the award of a contract, except as expressly permitted in the procurement document. Members of Council and City employees who receive inquiries from vendors related to any specific procurement are required to advise the vendor(s) to communicate with the contact person listed in the procurement document, if any, or with the Procurement Services Department.
- 1.1.10 Vendors are not to threaten, intimidate, harass, or otherwise interfere with an attempt by any other vendor to bid for a City contract or perform any contract awarded by the City to that other vendor. Vendors shall not enter into an agreement, secretive or otherwise, with another vendor or vendors, to limit open competition by deceiving or misleading the City, any employee of the City, Member of Council or any other prospective vendor from their right to compete or to gain unfair advantage in relation to any request for procurement.
- 1.1.11 Lobbyists shall not communicate with a public office holder on behalf of a vendor in relation to procurement when it is not permitted by the policy or procurement documents.

Conflict of Interest

- 1.1.12 A conflict of interest refers to situations in which personal, occupational or financial considerations may affect or appear to affect the objectivity or fairness of an individual. It includes any situation or circumstance where, in relation to a procurement of goods, services or construction, the individual's commitments, relationships or financial interests could or may reasonably be seen to exercise an improper influence over the evaluation, award or administration of a City contract.

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- 1.1.13 Employees of the City, and their immediate family, shall not have a pecuniary interest, either directly or indirectly, in any City contract or with any person acting for the City in any contract for the supply of goods, services and/or construction for which the City pays or is liable, directly or indirectly to pay unless such interest has been declared pursuant to the Code of Conduct for Employees, as amended from time to time. Such declaration shall be in writing, to their Manager with a copy to the Director of Procurement Services and Director of Legal Services indicating the specific nature of the conflict.
- 1.1.14 Members of Council are required to declare any pecuniary interest direct or indirect, and its general nature, which may result in a conflict of interest pursuant to the Municipal Conflict of Interest Act and the Member of Council, shall otherwise comply with that Act.
- 1.1.15 Any contract with the City may be voided in which a Member of Council or any employee of the City has an undeclared direct or indirect pecuniary interest.
- 1.1.16 All City employees and others participating in the development of specifications and/or the evaluation process for any Request for Quotations, Request for Tenders, Request for Pre-Qualifications and Request for Proposals will be required to declare a Conflict of Interest.
- 1.1.17 Where a vendor is being awarded a contract from the City, it shall be deemed to have warranted that it has not employed or retained any person, other than a bona fide employee, agent or broker working for the vendor, to solicit or secure the proposed contract, and that it has not paid or agreed to pay any person, other than a bona fide employee, agent or broker working solely for the vendor, any fee, commission, percentage, gift or other consideration contingent upon or resulting from the award of that proposed contract, or as an inducement to be awarded that contract. Without prejudice to any of its other rights, the City reserves the right to annul any contract or other arrangement entered into with a vendor where there is a breach of this warranty.

Prohibitions

- 1.2.1 No expenditure, purchase or commitment to purchase shall be incurred or made, and no account shall be paid by the City for goods, services or construction except as provided in this Procurement Policy or otherwise approved by Council.

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- 1.2.2 No contract shall be entered into and no expenditure shall be authorized or incurred unless Council has provided funds in the annual budget or approved the provisions of such funds, and no expenditure shall be authorized or incurred in excess of the funds provided. In the case of multi-year operating contracts, the funding for future years can reasonably be expected to be made available if the funding is included in the current year’s approved operating budget including multi-year forecast, subject to confirmation from the Financial Planning & Development Finance Department.
- 1.2.3 No procurement or purchase shall be arranged or made to avoid the application of this Procurement Policy. Without limiting the generality of the foregoing, no procurement of goods, services or construction shall be divided into two or more parts for the purpose of avoiding or frustrating the application of this Policy.
- 1.2.4 Personal purchases shall not be made by the City for any employee or Member of Council.

Applicable Legislation

- 1.3.1 The Municipal Act, 2001, Subsection 270 (1), provides that a municipality shall adopt a policy for its procurement of goods and services. Integrity is required in procurements to maintain the public’s trust and reduce the City’s exposure to legal risk, achieved through the requirement of complying with all applicable laws. Procurement activities at City must be conducted in accordance with all laws, regulations and standards, including, but not limited to:
- a) *Municipal Act and Regulations*
 - b) *Municipal Freedom of Information and Protection of Privacy Act and Regulations*
 - c) *Competition Act (R.S.C., 1985, c. C-34) and Regulations*
 - d) *Income Tax Act and Regulations*
 - e) *Accessibility for Ontarians with Disabilities Act and Regulations*
 - f) *Municipal Conflict of Interest Act and Regulations*
 - g) *Occupational Health and Safety Act and Regulations*
 - h) *Discriminatory Business Practices Act, R.S.O. 1990, Chapter D.12*
 - i) *Ontario Business Corporations Act*

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j) Ontario Expropriations Act

1.3.2 Procurement activities at the City must comply with the applicable sections of the following trade agreements as amended from time to time:

- a) Agreement on Internal Trade (AIT) – all Provinces & Territories (except Nunavut)
- b) Trade and Cooperation Agreement between Ontario and Quebec – Quebec and Ontario
- c) Comprehensive Economic Trade Agreement CETA

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2. Definitions

- a) "award" means authorization to proceed with the purchase of goods, services and/or construction from a chosen vendor;
- b) "best value" means the most advantageous combination of cost and quality to meet the requirements as defined in the relevant procurement document;
- c) "bid" means an offer or submission from a vendor in response to a call for bids;
- d) "bidder" means any legal entity that submits a bid in response to a call for bids;
- e) "call for bids" means a formal request for bids and includes a request for quotations, a request for tenders and a request for proposals;
- f) "Change Order" means a written order issued after execution of a contract, which authorizes a change in the scope of work, time and/or cost.
- g) "City" means the City of Vaughan;
- h) "City Manager" means the City Manager of the City of Vaughan;
- i) "construction" means a construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, soil investigation, seismic investigation, the supply of products and materials and the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional services related to the construction contract unless they are included in the procurement;
- j) "Consulting and Professional Services" means those services requiring the skills of a professional for a defined service and includes the services of architects, engineers, designers, surveyors, planners, accountants, auditors, management professionals, marketing professionals, software and information technology experts, financial consultants, lawyers, law firms, real estate agents and brokers, environmental planners and engineers, hydro geologists, transportation planners and engineers, communications

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consultants and any other consulting services which may be required by the City;

- k) “contingency” means a provision made in an approved budget for an unforeseen event or circumstance that gives rise to an increase in contract price. It can include a scope change;
- l) “contract” means any form of binding agreement between two or more parties that creates an obligation to do or not to do a particular thing;
- m) "Council" means the Council of the City of Vaughan;
- n) “Department” means an organizational unit headed by a Director
- o) “Director” means the City employee responsible for the operation of a City department;
- p) “Director of Procurement Services” means the senior official in the department of Procurement Services of the City;
- q) "disposal" means the removal of stock from the City by sale, exchange, trade or destruction;
- r) “dollar cost methodology” means the methodology used to determine the highest scoring bidder overall where two or more bids are within five (5) points of the highest score for the technical component of the evaluation, by calculating the dollar cost per technical point;
- s) “dollar cost per technical point” means the product of: “X” ÷ “Y” where, “X” means the total cost of the bid, and “Y” means the technical score of the bid;
- t) “emergency” means an event or occurrence that the City Manager or his or her delegate deems an immediate threat welfare and protection of persons, property, or the environment; and the event or occurrence necessitates the immediate need for goods, services or construction to mitigate the emergency and time does not permit for a competitive procurement process;
- u) "goods" means moveable property including, the costs of installing, operating, maintaining or manufacturing such moveable property, and raw materials, products, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form, unless they are procured as part of a construction

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contract but does not include real property;

- v) “litigation” means any unresolved dispute between the City and any other party or related party adverse in interest, including third party and cross-claims, where either a legal proceeding has been commenced for an injunction, a mandatory order, a declaration or the recovery of money, or a threat of legal action has been made in writing;
- w) “proposal” means a submission received in response to a Request for Proposals;
- x) “purchase” means to acquire goods, services and/or construction by purchase, rental, lease or trade;
- y) “Purchase Order” means a written offer to a vendor formally stating all terms and conditions for the purchase of goods, services and/or construction or a written acceptance of an offer received in accordance with this Policy;
- z) “Quote” means a binding, formal statement of promise by a vendor to supply the goods, services and/or construction as required and in accordance with the specifications provided by the City, at specific prices, and within a specified period;
- aa) “Real Property” means land, or land and buildings, and includes fixtures attached to such land or buildings;
- bb) “Request for Expressions of Interest” means a request made by the City for the purpose of compiling a list of potential bidders who may be interested in providing deliverables to the City;
- cc) “Request for Pre-Qualification” means a request for the submission of information from potential bidders, including the qualifications, experience, financial capability, background and staffing of any entity who may qualify to supply deliverables to the City;
- dd) “Request for Proposals” means a request for proposals issued under this Policy;
- ee) “Request for Quotations” means a request for quotations issued under this Policy;
- ff) “Request for Tenders” means a request for tenders issued under this Policy;
- gg) “sustainable” means the economic, social, and environmental impacts of goods, services and/or construction to be purchased by the City maximize economic benefits while

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achieving a balance between efficiency and best value;

- hh) “responsive” means that a bid has complied in all material respects with the requirements set out in the call for bids documentation;
- ii) “scope change” which means any change to the scope of a contract to accommodate a need not originally provided for in the contract;
- jj) “scope of work” means the work that has been described in a contract that must be done to deliver the goods, services and/or construction with the specified features and functions and within the time specified as described in the contract;
- kk) “services” means the work provided by individuals under a contract and includes Consulting and Professional Services;
- ll) "tender" means a written detailed offer from a vendor to supply goods, services and/or construction where there are clearly defined criteria or specifications;
- mm) “total cost” means the contract cost for the full term of the contract, and, in the case of a contract containing renewal provisions, the total contract cost for the initial term and all potential renewal terms, excluding the Harmonized Sales Tax (HST), but including all other applicable, fees, charges and disbursements;
- nn) “Unsolicited Proposal” means proposals received by the City from a vendor or vendors who have approached the City with a proposal that has not been requested through a regular procurement process.

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3. Roles and Responsibilities

General Responsibilities

- 3.1 All City employees engaged in a procurement process will abide by the principles, rules and guidelines set out in this Policy and associated Procedures.
- 3.2 All procurements will be subject to any and all applicable City policies and procedures, specific provisions of the Municipal Act, and all other applicable Federal and Provincial legislation.
- 3.3 Failure to adhere to the requirements outlined or referenced in this Policy may lead to disciplinary action up to and including termination of employment.

Council

- 3.4 In accordance with best practices in Municipal procurement, there is a need for a clear separation of political and administrative functions in relation to the City's procurement functions.
- 3.5 City Council shall approve the budget and scope of projects as part of the annual operating and capital budget process or individual project approval submissions from Departments throughout the year. Approval of the project scope and budget by Council shall be deemed to be approval for the subsequent award of a contract in accordance with the procurement processes and staff Delegations of Authority to Award detailed in this Policy and where the cost amount of the contract is within the budget previously approved by Council.
- 3.6 City Council shall approve the award of contracts where:
 - a) approved funding is insufficient for the award; or
 - b) the purchase is prescribed by statute to be made by Council; or
 - c) the award is for a Single Source contract and the total cost of the contract exceeds \$100,000; or
 - d) the term of the commitment exceeds ten (10) years; or
 - e) recommended by the City Manager.

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- 3.7 In keeping with municipal procurement best practices, the Mayor and Members of Council shall have no involvement in specific procurements, including not receiving any related information or documents from the time those procurements have been advertised or solicited until the contract has been entered into except where the recommendation for award has been forwarded to Council for approval as noted above.
- 3.8 The Mayor and Members of Council who receive inquiries from vendors related to any specific procurement are required to advise the vendor(s) to communicate with the contact person listed in the procurement document, if any, or with the Procurement Services Department.

City Manager

- 3.9 The City Manager has the authority to:
- a) instruct staff not to award contracts and to submit recommendations to City Council for approval (e.g. the occurrence of one or more of the circumstances noted in Section 3.6) and may provide additional restrictions concerning procurement where such action is considered necessary and in the best interest of the City; and
 - b) award contracts in the circumstances specified in this Policy provided that the delegated power is exercised within the limits prescribed in Section 5 (or the Summary Table in Section 6).

Deputy City Managers and Chiefs of Office

- 3.10 The Deputy City Managers and Chiefs of Office are accountable for the procurement of goods, services or construction for the City departments that have been assigned to them. In addition, they have:
- a) the authority to award contracts in the circumstances specified in this Policy provided that the delegated power is exercised within the limits prescribed in Section 5, (or the Summary Table in Section 6);
 - b) the responsibility to prepare the business specifications/requirements for their procurements;
 - c) the responsibility for monitoring their Contracts and reporting on the performance of a contracted vendor in accordance with applicable procedures; and
 - d) the responsibility to prepare and submit reports for award of Contracts in accordance with this Policy.

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Director of Procurement Services

- 3.11 The Director of Procurement Services is responsible for:
- a) the integrity of the procurement process;
 - b) providing procurement advice including preparing procurement request documentation;
 - c) administering the procurement requests and ensuring compliance with the terms and conditions of the procurement;
 - d) reviewing the specifications, scope of work or terms of reference as prepared by the applicable city department for compliance with this procurement policy;
 - e) the development of co-operative purchasing plans with other levels of government, municipalities, boards, agencies, commissions, or public sector entities where such plans are determined to be in the best interests of the city;
 - f) the development of all procurement procedures;
 - g) monitoring compliance with this policy and notifying the relevant member of the senior management team, in advance if possible, of non-compliance with this policy;
 - h) the disposal of surplus stock or obsolete equipment; and
 - i) the review of reports prepared by the staff or preparation of reports as required by this policy including quarterly procurement activity reports for council.

Directors

- 3.12 Directors are accountable to their respective Deputy City Manager or Chief of Office for ensuring compliance with this Policy and the relevant procedures with respect to the activities of their Departments. In addition, they:
- a) have the authority to award contracts in the circumstances specified in this Policy provided that the delegated power is exercised within the limits prescribed in Section 5, (or the Summary Table in Section 6), and the requirements of this Policy are met;
 - b) have the authority to delegate approval authority to staff at the appropriate levels within their service areas when they are unable to exercise their authority (e.g. vacation, extended absence or period of leave);
 - c) may authorize the procurement of such goods, services and/or construction as are considered necessary to remedy an emergency situation as defined by and in

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accordance with the Emergency Procurement Section 4.2.9 of this Policy and with the concurrence of a Deputy City Manager or Chief of Office;

- d) have the responsibility to prepare the business specifications/requirements for their procurements; and
- e) have the responsibility for monitoring their Contracts and reporting on the performance of a contracted vendor in accordance with applicable procedures.

Managers

3.13 Managers provide oversight for all procurements executed in their Department and are responsible for notifying the Procurement representatives as soon as possible of any apparent or potential non-compliance with this Policy or supporting policies and procedures. In addition, they have:

- a) the authority to award contracts in the circumstances specified in this Policy provided that the delegated power is exercised within the limits prescribed in Section 5, (or the Summary Table in Section 6);
- b) the responsibility to prepare the business specifications/requirements for their procurements; and
- c) the responsibility for monitoring their Contracts and reporting on the performance of a contracted vendor in accordance with applicable procedures.

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4. Procurement Processes

All and any of the procurements by a City employee will be executed in accordance with this Policy, and any related or relevant policies and procedures.

Competitive Procurement Processes

Request for Quotations

- 4.1.1 A Request for Quotations (RFQ) is used when very clearly defined criteria or specifications have been developed and where the award will be based on mandatory technical compliance and lowest price of a responsive and responsible bidder.
- 4.1.2 RFQs may be issued to acquire goods, services and/or construction with an estimated cost not greater than \$100,000 and subsequent contracts awarded to the lowest responsive bidder in accordance with the Delegation of Authority detailed in Section 5 of this Policy.

Request for Tenders

- 4.1.3 A Request for Tenders (RFT) is a process used where there are clearly defined criteria or specifications. It usually entails thoroughly detailed work (e.g. construction tender) or a specific, product-based quote where the award is based on mandatory technical compliance and lowest price of a responsive and responsible bidder.
- 4.1.4 RFTs may be used to acquire goods, services and/or construction with an estimated cost greater than \$100,000 and subsequent contracts awarded to the lowest responsive bidder in accordance with the Delegation of Authority detailed in Section 5 of this Policy.

Request for Pre-Qualifications

- 4.1.5 Request for Pre-Qualifications (RFPQ) means a request for the submission of information from potential bidders, including the experience, financial strength, education, background and personnel of firms or corporations who want to qualify to be able to compete to supply goods, services or construction to the City. An RFPQ is

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typically used as the first stage in a two-stage procurement process in order to short-list the most qualified vendors.

- 4.1.6 Based on the results of the RFPQ, the Department Head shall recommend the list of pre-qualified vendors to the Director of Procurement Services for approval.

Request for Proposals

- 4.1.7 A Request for Proposals (RFP) is a process used which allows prospective vendors to propose solutions or methods to arrive at the desired result. The RFP process is a competitive method of procurement where price is not the dominant evaluation criterion for award. The RFP procedure shall be used where:

- a) the requirement is best described in a general performance specification; or
- b) innovative solutions are sought; or
- c) to achieve best value, RFPs have both mandatory and/or preferred / desirable (scored) evaluation criteria with the emphasis (i.e., highest weights or scores) on the solution, approach or methodology and proponent profile and qualifications, with price having a minimum weight of 20%.

- 4.1.8 The evaluation criteria and weightings shall be established prior to the call for bids and the call for bids shall clearly specify how each of the applicable criteria, including total cost will be applied in evaluating the bids and how the dollar cost methodology may be applied.

- 4.1.9 The award is to be made to the bidder submitting the highest overall scoring bid, or, where two or more bids are within five (5) points of the highest score for the technical component of the evaluation, by calculating the dollar cost per technical point.

- 4.1.10 All RFPs will be issued in accordance with this Policy and subsequent contracts, if any, awarded to the highest evaluated proposal in accordance with the Delegation of Authority detailed in Section 5 of this Policy.

Vendor of Record

- 4.1.11 A Vendor of Record (VOR) arrangement means a procurement arrangement, typically established through an RFP/RFPQ that authorizes one or more qualified

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vendors to provide goods/services for a defined period with defined terms and conditions, including pricing, as set out in the VOR agreement.

4.1.12 City of Vaughan VOR arrangements without pricing shall be approved by the Director, Procurement Services. In the case of VOR arrangements where pre-set pricing is included, the approval shall be in accordance with Section 5.0 of this Policy, Delegations of Authority to Award, based on the estimated value of the VOR during its full term.

4.1.13 Where applicable, especially for frequent purchases of a particular good or service, or where the City will receive a discount or rebate based on volume purchasing, a VOR will be used as the source for procurement. The Vendor of Record Agreement may be either the City’s own competitively established VOR or one of the Ontario Ministry of Government and Consumer Services (MGCS) VORs available to municipalities.

4.1.14 Procurement of goods or services by City staff through a VOR must be acquired in accordance with this Policy and pursuant to the following guidelines:

- a) VOR procurements valued at less than \$25,000 may be contracted without further competition;
- b) VOR procurements valued at greater than \$25,000 will be in line with requirements outlined in the VOR selection process.

Non-Competitive Procurement Processes

Sole Source

4.2.1 Sole Source procurement means a purchase made where there is only one legal entity available to the City capable of doing the work. Procurement may be conducted using a Sole Source process if the goods, services and/or construction are available from only one vendor by reason of:

- a) statutory or market based monopoly; or
- b) competition is precluded due to the application of any Act or legislation or because of the existence of patent rights, copyrights, licence, technical secrets or controls of raw material; or,

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- c) the complete item, service, or system is unique to one vendor and no alternative or substitute exists.

4.2.2 Sole Source contracts shall be awarded in accordance with the Delegations of Authority to Award detailed in Section 5 of this policy.

Single Source

4.2.3 Single Source means that there is more than one source of supply in the open market, but only one source is recommended due to predetermined and approved specifications.

4.2.4 The procurement may be conducted using a Single Source process if the goods, services and/or construction are available from more than one source, but there are valid and sufficient reasons for selecting one vendor in particular, as follows:

- a) an attempt to acquire the required goods, services and/or construction by soliciting competitive bids has been made in good faith, but has failed to identify more than one willing and responsive vendor; or
- b) the confidential or security-related nature of the requirement is such that it would not be in the public interest to solicit competitive bids; or
- c) there is a need for standardization or compatibility with goods, services and/or construction previously acquired or the required goods, services and/or construction will be additional to similar goods, services and/or construction being supplied under an existing contract (i.e. contract extension or renewal); or
- d) where necessary to maintain an existing warranty from a previous vendor; or
- e) where only one authorized dealer/reseller is offering the goods and/or services due to franchise restrictions; or
- f) the ability of a specific vendor to deliver within the requested timeframe; or
- g) construction, renovations, repairs, maintenance etc. in respect of a building leased by the City may only be done by the lessor of the building, in accordance with a lease agreement; or

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- h) the required goods, services and/or construction are to be supplied by a particular vendor(s) having special knowledge, skills, expertise or experience; or
- i) the goods are purchased under circumstances which are exceptionally advantageous to the City, such as in the case of a bankruptcy or receivership; or
- j) it is advantageous to the City to acquire the goods, services or construction from a supplier pursuant to the procurement process conducted by another public body; or
- k) it is advantageous to the City to acquire the goods, services or construction directly from another public body or public service body; or
- l) another organization is funding or substantially funding the acquisition and has determined the vendor, and the terms and conditions of the commitment into which the City will enter are acceptable to the City; or
- m) the acquisition is for a particular brand of goods, services or construction that are intended solely for resale to the public and no other brand is desirable and the brand is not available from any other source; or
- n) where due to abnormal market conditions, the goods, services or construction required are in short supply.

4.2.5 Before awarding a contract using the above rationale, staff should perform due diligence by exploring price negotiation possibilities with the selected vendor.

4.2.6 There must be sufficient justification provided for using Single Source procurement as determined by the Director of Procurement Services.

4.2.7 Where additional due diligence is considered necessary, Procurement Services will post an Advanced Contract Award Notice (ACAN) on the City website for a period of at least five (5) business days to indicate to vendors that the City intends to award a goods, services or construction contract to a pre-identified vendor, thereby allowing other vendors to signal their interest in bidding by submitting a statement of capabilities. If no other vendor submits a statement of capabilities that meets the requirements set out in the ACAN, the Director of Procurement Services may then

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proceed with the award of the contract. If other vendors submit a statement of capabilities that meets the requirements set out in the ACAN, the Director of Procurement Services may then proceed with a competitive, or Single or Sole Source, procurement in accordance with this Policy.

4.2.8 Single Source contracts shall be awarded in accordance with the Delegations of Authority to Award detailed in Section 5 of this policy.

Emergency Procurement

4.2.9 For the purposes of this section on Emergency Procurement, emergency is defined as an event or occurrence that the City Manager or his or her delegate deems an immediate threat to:

- a) public safety; or
- b) the maintenance of essential City services; or
- c) the welfare and protection of persons, property, or the environment; and the event or occurrence necessitates the immediate need for goods, services or construction to mitigate the emergency and time does not permit for a competitive procurement process.

4.2.10 This policy does not apply in an emergency declared under the Emergency Management and Civil Protection Act, R.S.O. 1990, c. E.9 Last amendment: 2009, c. 33, Sched. 9, s. 4, or any other related City policies.

4.2.11 A list of pre-qualified vendors or Vendors of Record will be used to select the vendors, whenever possible.

4.2.12 Where the aggregate costs for a single vendor to mitigate an emergency situation is anticipated to be less than \$100,000, there must be a notification including the justification for the emergency expenditure sent to the Director of Procurement Services or delegate within 60 days of the expenditure. The emergency procurement shall also be reported by the responsible Director to the CFO and City Treasurer.

4.2.13 Where the aggregate costs for a single vendor are in excess of \$100,000, the emergency procurement shall be reported by the responsible Director to Council at the next Council meeting following resolution of the emergency situation. The

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Director responsible for the area leading the emergency procurement must forward the appropriate purchase requisition(s) to the Director of Procurement Services within five (5) business days after the mitigation activities associated with the emergency event have been resolved.

- 4.2.14 The steps taken to mitigate the emergency shall always be clearly documented regardless of amount.

Other

- 4.3.1 These processes are all part of a preliminary stage of the procurement process. By themselves, they do not result in an award and are typically followed by one of the procurement methods described above.

Request for Information

- 4.3.2 A Request for Information (RFI) is a request in writing made by the City for the purpose of compiling the available market information and capabilities of various suppliers in providing goods, services or construction to the City in order to help inform buying decisions and may be followed by a subsequent Request for Tender or Request for Proposal.

Request for Expressions of Interest

- 4.3.3 Request for Expressions of Interest (REOI) means a request made by the City for the purpose of compiling a list of potential bidders who may be interested in providing goods, services or construction to the City. A REOI is often done in the early stages of the procurement process as a means for the City to seek industry input into scoping requirements for a project that is intended to go back out to market later on.
- 4.3.4 The REOI is also an opportunity for interested parties to respond with the requested information so that they may be informed about future announcements related to the project, including the competitive selection process. It should be noted, however, that responding to an REOI is not a prerequisite to participating in the competitive selection process and does not imply any binding commitment by any party.

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Purchasing Card (“P-Card”)

4.4.1 A Purchasing Card (“P-card”) will be used to purchase low-value goods and services in accordance with the rules and guidelines detailed in this Policy and the Purchasing Card Policy. The use of P-cards is designed to improve efficiency of acquiring low value goods, services and construction. Single purchases are limited to a maximum of \$5,000, with a monthly maximum accumulation as per the table at Section 5.1.2. Individual Managers may set alternate limits within these boundaries.

Consulting and Professional Services

4.5.1 From time to time, the City may require the services of consultants or other professionals for work requiring the skills of a professional for a defined service. This could include the services of, for example, architects, engineers, designers, management professionals, communications consultants, software and information technology experts or lawyers.

4.5.2 Any Consulting or Professional Service procured by the City will be acquired in accordance with this Policy and where applicable via a Vendor of Record. Subsequent contracts will be awarded in accordance with the Delegations of Authority to Award detailed in Section 5 of this Policy. However, in order to make the procurement process more timely and efficient, Department managers should consult with Procurement Services to develop VOR’s for recurring requirements for professional services.

Reports to City Council

4.6.1 The Director of Procurement Services shall prepare a summary information report on all procurement awards, to be submitted to Council on a quarterly basis.

Advertisement

4.7.1 All public procurement requests which meet the thresholds established within the Agreement on Internal Trade (contract value greater than \$100,000 for goods and services and \$250,000 for construction) will be posted on the City’s website and may also be advertised on Ontario Public Buyers Association (OPBA) and Daily Commercial News (construction related) websites or any other media outlet or venue considered appropriate to ensure greater competition.

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Electronic Bid Submissions

4.8.1 The City is currently developing procedures and processes for the electronic submission of bids. Procurement Services will introduce electronic bid submission as it becomes available.

Local Preference

4.9.1 The Agreement on Internal Trade (AIT) between the Federal Government and the Provinces applies to Canadian municipalities with respect to Chapter 5 and other relevant sections. In accordance with the requirements of the AIT, the City will not adopt or maintain any measures that would differentiate between vendors, or goods, services or construction on the basis of geographic location, except where otherwise sanctioned by this Policy.

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5. Delegations of Authority to Award

5.1 The following details the authority to approve the award of a contract to a successful vendor after the project and budget have been approved either as part of an annual allocation or an individual project basis, in accordance with an appropriate and approved procurement process. Any such procurement shall also satisfy any applicable audit and documentation requirements of the City.

General

5.2 All applicable taxes and duties shall be excluded in determining the procurement limit of authorized delegates and the type of procurement process to be followed.

5.3 The dollar values identified in this section represent the total value of the award for the entire term of the contract. In the case of a multi-year contract, the cumulative value of the award for the entire term of the contract, including any defined options to extend.

5.4 The dollar values exclude contingencies not explicitly defined in the contract.

Authority to Award

5.5 Prior to awarding a contract, staff with the appropriate delegated authority approval must confirm:

- a) the procurement process was conducted in accordance with this Policy;
- b) complete price and costing information is identified, including an upset limit or total expenditure as defined in Section 5.1;
- c) funds are available within existing approved budgets;
- d) the award is being made to the lowest responsive bid or best evaluated bid of the bids submitted; and
- e) there are no unresolved bidder protests.

5.6 City Council shall receive quarterly reports on all contract awards.

5.7 A summary of the Authority to Award is depicted in table form in Section 6 of this

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Policy.

Employees with the Appropriate Delegated Authority Approval

- 5.1.1 Any employee with the appropriate delegated authority approval and authorized to use a Purchasing Card (P-card) may purchase low-value goods, services and construction. All employees authorized to use a Corporate Purchasing Card must abide by the rules and responsibilities detailed in the Purchasing Card Policy.
- 5.1.2 Dollar limits for single purchases and monthly accumulated spending limit for each employee will be determined by their Manager or designate, however the maximum levels allowable are as per the table below (Ref: City of Vaughan P-Card Procedures):

Type	Description	Single Transaction Limit (STL) (excluding taxes)		Monthly Transaction Limit (MTL) (excluding taxes)	
		Maximum:		Maximum:	
Type 1	STANDARD	Maximum:	\$ 2,000	Maximum:	\$ 10,000
Type 2	ADMINISTRATION	Maximum:	\$ 5,000	Maximum:	\$ 15,000
Type 3	SUPERVISOR	Maximum:	\$ 5,000	Maximum:	\$ 20,000
Type 4	MANAGER	Maximum:	\$ 5,000	Maximum:	\$ 25,000
Type 5	DIRECTOR	Maximum:	\$ 5,000	Maximum:	\$ 30,000
Type 6	DEPUTY CITY MANAGER/CHIEF	Maximum:	\$ 5,000	Maximum:	\$ 50,000

Manager

- 5.2.1 Any Manager, or duly authorized delegate, with the appropriate delegated authority is authorized to approve the following awards in consultation with Procurement Services:

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- a) competitive procurements, invitational and formal quotations up to but not greater than \$25,000 (i.e. RFP, RFQ, VOR); or
- b) In the event of an Emergency Procurement (see Section 4.2.9), up to but not greater than \$10,000.

Director

5.3.1 Any Director, or duly authorized delegate, with the appropriate delegated authority is authorized to approve awards in consultation with a Manager, Procurement Services pursuant to the following:

- a) competitive procurements, up to but not greater than \$100,000 (i.e. RFT, RFQ, RFP, VOR); or
- b) Sole or Single Sourced contracts up to but not greater than \$25,000; or
- c) In the event of an Emergency Procurement (see Section 4.2.9), up to but not greater than \$25,000; or
- d) extensions of existing Contracts and Agreements that have clearly defined options to extend, subject to availability of funds and satisfactory performance of the vendor and are within their own delegated authority.

Deputy City Manager and Chief of Office

5.4.1 Any Deputy City Manager and Chief of Office, or duly authorized delegate, with the appropriate delegated authority is authorized to approve the following awards in consultation with the Director of Procurement Services:

- a) competitive procurements and formal quotations requests up to but not greater than \$500,000 (i.e. RFT, RFP, RFQ, VOR); or
- b) Sole or Single Sourced contracts up to but not greater than \$50,000; or
- c) in the event of an Emergency Procurement (see Section 4.2.9), up to but not greater than \$100,000; or
- d) extensions of existing contracts that have clearly defined options to extend, subject to availability of funds and satisfactory performance of the vendor.

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City Manager

- 5.5.1 The City Manager, or duly authorized delegate, with the appropriate delegated authority approval is authorized to approve the following awards in consultation with the Director of Procurement Services:
- a) Requests for Tenders and Requests for Proposals greater than \$500,000; or
 - b) Sole Sourced contracts greater than \$50,000; or
 - c) Single Sourced contracts up to but not greater than \$100,000; or
 - d) in the event of an Emergency Procurement (see Section 4.2.9), any amount necessary; or
 - e) extensions of existing contracts that have clearly defined options to extend, subject to availability of funds and satisfactory performance of the vendor.

Contingencies – Exceeding Original Contract Value

- 5.8 A contingency is the provision made in an approved budget for an unforeseen event or circumstance. It can include a “scope change” which means any change to the scope of a contract to accommodate a need not originally provided for in the contract and which may include the purchase of additional deliverables or the extension of the term of the contract and which may require an adjustment to the contract price.
- 5.9 Where any purchase of deliverables has been authorized under this Policy, a Director may, upon being satisfied that a contingency has arisen, authorize expenditures that exceed the original approved contract amount, provided that any additional expenditure (or cumulative sum of additional expenditures) shall not exceed ten percent (10%) of the total cost of the contract at the time of award and further provided that the additional expenditures are required to complete the deliverables set out in the original contract and that the total cost after the additional contingent expenditures remains within the approved budget and Delegated Authority of the Director.
- 5.10 A Deputy City Manager or Chief of Office may authorize an additional expenditure (or cumulative sum of additional expenditures) for contingency that shall not exceed fifteen percent (15%) of the total cost of the contract at the time of award and that the total cost after the additional expenditures remains within the approved budget and

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delegated authority of the DCM or Chief.

- 5.11 The City Manager may authorize any additional expenditure for contingency provided that the total cost after the additional expenditures remains within the approved budget and delegated authority of the City Manager.
- 5.12 If a contingency requires the extension or renewal of a contract, any extension or renewal of a contract that would result in a total contract term in excess of ten (10) years shall be subject to Council approval.
- 5.13 The process for managing Change Orders associated with contingent expenditures shall be detailed in the Procurement Procedures.

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6. Summary – Award Authority and Method

Authority to Award	Type of Procurement	Value (Taxes not included)	Procurement Process
*Note: Non-competitive processes should be the exception, not the rule. Competitive procurements should still be used where available. Non-competitive processes are to be used only in the circumstances outlined in Section 4.2 of the Policy.			
City Manager	Competitive Procurements	>\$500,000	Request for Proposals
		>\$500,000	Request for Tenders
	Sole Sourced contract	>\$50,000	Purchase Order
	Single Sourced contract	\$50,001 - \$100,000	
	Emergency Procurement (See Section 4.2.9)	Unlimited	
Deputy City Manager and Chief of Office	Competitive Procurements	\$100,001 - \$500,000	RFT, RFP, RFQ, VOR
	Single or Sole Sourced contract	≤\$50,000	Purchase Order
	Emergency Procurement	\$25,001 - \$100,000	

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Authority to Award	Type of Procurement	Value (Taxes not included)	Procurement Process
*Note: Non-competitive processes should be the exception, not the rule. Competitive procurements should still be used where available. Non-competitive processes are to be used only in the circumstances outlined in Section 4.2 of the Policy.			
Director	Competitive Procurements	\$25,001 - \$100,000	RFT, RFP, RFQ, VOR
	Single or Sole Sourced contract	≤\$25,000	Purchase Order,
	Emergency Procurement		P-Card (within single transaction authorized limit)
Manager	Competitive Procurements	≤\$25,000	RFT, RFP, RFQ, VOR
	Emergency Procurement	≤\$10,000	Purchase Order, P-Card (within single transaction authorized limit)
Any employee with appropriate Delegated Authority	Goods and Services	< \$5,000 single Purchase < Cumulative monthly limit as per Table 5.1.2	P-card

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7. Fairness Monitor

- 7.1 The City may elect to utilize a fairness monitoring process for specific procurements that are complex or high profile or of a substantial dollar value. In such cases, the City may engage a Fairness Monitor as an independent third party to observe all or part of a procurement process, to provide related feedback on fairness issues to the Director of Procurement Services, and to provide an unbiased and impartial opinion on whether the procurement process was conducted in accordance with this Policy and the principles of openness, fairness, consistency and transparency. The decision to engage a Fairness Monitor is at the discretion of the Director of Procurement Services in consultation with the procuring Director, and will be executed in accordance with this Policy.

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8. Vendor Performance

- 8.1 In the interest of ensuring the goods, services and construction acquired by the City are delivered at best value for money, in an ethical and professional manner, vendor performance will be monitored.
- 8.2 The Director of Procurement Services in consultation with client departments, will develop and provide a framework for City staff to evaluate and improve the performance of all vendors awarded contracts by:
- a) pro-actively managing the performance of contracted vendors during the term of the awarded contracts; and
 - b) creating a record of past performance for use by the Director of Procurement Services to determine the award for future procurement requests.
 - c) It is the responsibility for all Deputy City Managers, Chiefs of Office, Directors and Managers to monitor their Contracts and report on the performance of a contracted vendor in accordance with applicable procedures.

Exclusion of Bidders in Litigation

- 8.3 The City reserves the right, at its election and in its sole and absolute discretion, not to accept a bid from any bidder and/or award a contract to any bidder (which includes all affiliates as defined in the Ontario Business Corporations Act) that has instituted a court proceeding or is in arbitration against the City, or against whom the City has instituted a court proceeding or is in arbitration with respect to any other previous submission to the City or any other previous contract or business transaction between the City and the bidder (and its affiliates).
- 8.4 A bid may be accepted from, and a contract may be awarded to, or the extension of a contract may be granted to a contractor or other party with whom the City is engaged in unresolved litigation in the following circumstances:
- a) where there is only one qualified contractor and the City Manager has approved the award; or
 - b) in the case of an emergency; or

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Report No/Item:	FAA9(1)	Report No/Item:	FAA3(1)
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- c) where there is a legal obligation on the part of the City to enter into the contract; or
- d) where the proposed contract is pursuant to the co-operative purchasing provisions of this Policy or where another public agency will be party to the contract and has approved the award; or
- e) where the City has been named as plaintiff or as a defendant pursuant to a subrogated interest and where, in the discretion of the City Solicitor, an appropriate arrangement has been made to indemnify the City; or
- f) where the matter has been referred to alternative dispute resolution in a form or format approved by the City Solicitor and where an agreement has been entered into which adequately protects the City’s interests, as may be determined in the sole discretion of the City Solicitor; or
- g) where the contractor or other party is exercising rights pursuant to the *Expropriations Act*.

8.5 Where the amount in dispute in any unresolved litigation does not exceed \$100,000, a Deputy City Manager, in consultation with the Director of Procurement Services and the City Solicitor, may accept the bid or award the contract, or approve the extension of the contract, provided that he or she is satisfied that it would be in the best interests of the City, based on the consideration of factors including but not limited to the following:

- a) the bidder’s performance under previous contracts with the City; or
- b) the City’s claims history with the bidder; or
- c) an assessment of the overall risk and total cost in entering into a contract with the bidder.

8.6 The bidder will have the option to appeal the decision as per the procedure detailed in Section 9 of this Policy.

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9. Bid Dispute Resolution

- 9.1 The City of Vaughan encourages open, competitive procurement processes and the objective and equitable treatment of all vendors. However, a vendor may seek to challenge:
- a) the finding that their bid was non-responsive and rejected from further consideration; or
 - b) the award of a contract to another vendor; or
 - c) disputes being prohibited from competing or being awarded any City Contract under Section 8.3.
- 9.2 All vendor disputes or complaints, whether addressed to Members of Council or City staff shall be referred to the Director of Procurement Services for disposition.
- 9.3 Vendors wishing to appeal procurement process decisions or findings made by the City will discuss and attempt to resolve the issue(s) by meeting with a Review Committee comprised of the Director of Procurement Services or delegate, the relevant Director or Deputy City Manager or Chief of Office or delegate, a representative of the City Solicitor’s Office, Chief Financial Officer and City Treasurer or delegate, and Fairness Monitor, if engaged.
- 9.4 All vendor appeals must be received in writing by the Director of Procurement Services within fifteen (15) business days of the date of the notice to the vendor of the procurement decision.
- 9.5 The decision by the Review Committee on the disposition of the vendor dispute will be final.

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Cross Reference:	Policy No. 05.2.06		

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10. Unsolicited Proposals

- 10.1 Unsolicited Proposals, and/or communications regarding potential Unsolicited Proposals, are proposals received by the City from a vendor or vendors who have approached the City, i.e. any employee or elected official, without solicitation, to advise the City of their ability or desire to undertake City requirements. Unsolicited Proposals can be new or innovative ideas that could assist the City in achieving its goals and have not been requested through the regular procurement process.
- 10.2 City employees or Members of Council shall not accept an Unsolicited Proposal and/or communication with respect to a potential Unsolicited Proposal. The vendor or proposer shall be advised to direct the Unsolicited Proposal to the Director of Procurement Services.
- 10.3 The Director of Procurement Services will log the Unsolicited Proposal and direct it to the appropriate Department Head. The Department Head shall first assess such proposals on the basis of whether they align with the City's strategic goals and objectives, do not circumvent the City's regular procurement processes, and the proposal's scale and scope aligns with the requirements and funding ability of the City.
- 10.4 If it is determined by the Department Head that there is a legitimate need for the goods, services and/or construction offered by way of the Unsolicited Proposal and that funding is available, then it will be reviewed together by the Department Head, the Director of Procurement Services and where appropriate, the Director of Economic Development or another Department Head or to determine the applicable acquisition process to be conducted in accordance with this Policy.

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Report No/Item:	FAA9(1)	Report No/Item:	FAA3(1)
Cross Reference:	Policy No. 05.2.06		

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11. Economic Development and Innovation

- 11.1 In accordance with exemptions allowed under the Agreement on Internal Trade, the City may exclude a procurement from the application of the AIT to contribute to local economic development objectives, or demonstration, pilot or innovation projects. The use of the exclusion for the particular procurement shall be applied in a manner to minimize discrimination among eligible bidders.
- 11.2 A joint business case will be prepared by Economic Development department and the applicable department Director outlining the justification, benefits, costs and a value analysis related to economic development and/or innovation and submitted for approval to a DCM, Chief or the City Manager.
- 11.3 A contract may be awarded under this Section 11 of this Policy within the Delegated Authority of the applicable Director or Deputy City Manager or Chief and the concurrence of the Director of Economic Development. The expenditure must be within an existing approved budget. If any of those conditions are not met, Council approval is required to award a contract.
- 11.4 A report on the outcome of the initiative will be presented to Council.

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12. Public/Private Partnerships (P3s)

- 12.1 Public – Private Partnerships (P3s) are a long-term performance-based approach to procuring public infrastructure where the private sector assumes a major share of the risks in terms of financing and construction and ensuring effective performance of the infrastructure, from design and planning, to long-term maintenance.
- 12.2 In practical terms, this means that:
- a) the City does not pay for an asset until it is built; or
 - b) a substantial portion of the cost is paid over the life of the asset and only if it is properly maintained and performs according to specifications; or
 - c) the costs are known upfront and span the life-cycle of the asset, meaning that taxpayers are not on the financial hook for cost overruns, delays or any performance issues over the asset’s life.
- 12.3 The City is open to considering a P3 approach where appropriate; however, would do so only if supported by a thorough “Value for Money” analysis including a systematic consideration of costs, risks, and performance expectations. The decision to proceed with using alternative financing for a project will be subject to Council approval.

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Report No/Item:	FAA9(1)	Report No/Item:	FAA3(1)
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13. Intergovernmental Arrangements

Co-operative Purchasing

- 13.1 The City may participate with other levels of government, municipalities, boards, agencies, commissions, or public sector entities (“Organizations”) where such plans are determined to be in the best interests of the City. If the City participates with another Organization, the City shall adhere to the policies of the Organization calling the co-operative bid. The award of the contract will also be issued in accordance with the lead Organization’s policies.
- 13.2 The Director of Procurement Services will report on all co-operative purchases to City Council on a quarterly basis, unless the purchase is with the York Region Buyers Co-Op, in which case no report is required.

Provincial Agreements

- 13.3 The City has alternate contracts and VORs available to them as sources for procurement, including the VOR Agreements established by the Ontario Ministry of Government and Consumer Services. Where appropriate and applicable, the City may “piggy-back” on one or more of these existing Agreements for procurement.

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Report No/Item:	FAA9(1)	Report No/Item:	FAA3(1)
Cross Reference:	Policy No. 05.2.06		

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14. Corporate Sponsorship

- 14.1 Corporations pursued for the purposes of Corporate Partnership or Sponsorship are exempt from the application of this Policy, and are to be governed by the Corporate Partnerships Policy.

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Report No/Item: FAA9(1) Report No/Item: FAA3(1)
Cross Reference: Policy No. 05.2.06

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15. Sustainable Procurement

- 15.1 Sustainable procurement is a purchasing process that takes into account the economic, environmental and social impacts of the City’s spending and operational activities.
- 15.2 The City approved Green Directions Vaughan (GDV): The Community Sustainability and Environmental Master Plan which is designed to guide the City to a more sustainable future. Influencing all aspects of the City’s operational and regulatory activities, GDV promotes sustainability first. However, as responsible stewards of the community, all procurement related actions taken and decisions made by the City’s employees and Members of Council must also be made in consideration of the financial implications of a particular procurement.
- 15.3 The City recognizes that through its procurement function it has the authority to bring about environmental and social improvements both locally and globally while maximizing economic benefits. Wherever possible and fiscally responsible, the City encourages and promotes sustainable procurement. By embedding the principle of sustainable procurement into this Policy, the Procurement Services function continues to support the GDV Master Plan.
- 15.4 Department Heads are responsible for considering the addition of sustainability-related specifications to their procurements and ensuring that the financial implications have been considered and adequate budget is available.

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16. Fair Wage

- 16.1 A number of municipalities across Ontario have implemented a Fair Wage Policy to ensure the highest standards and stable working conditions for contractors. A Fair Wage Policy sets a minimum threshold for employee compensation when government contracts are awarded and establishes a level playing field amongst vendors bidding on these engagements.
- 16.2 Federal and Provincial governments are actively working on the policy framework and City is monitoring for their lead on the subject policy. The City is currently studying the feasibility of implementing a Fair Wage Policy. The details on the application of the Policy will be clarified once a decision is made on whether and how to proceed.

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17. Developer / Landowner Growth-Related Infrastructure

- 17.1 In the event that developers/landowners undertake the funding and construction of growth related municipal infrastructure through Subdivision or Development Agreements within the City, the Agreement will set out the procurement process that will be followed, and the value for money achieved.

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Cross Reference: Policy No. 05.2.06

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18. Disposal of Surplus Stock and Obsolete Equipment

- 18.1 A Department Manager shall submit to the Procurement Manager, reports of surplus stock including furniture, vehicles, equipment, supplies, and other goods which are no longer used or which have become obsolete.
- 18.2 The Director of Procurement Services shall have the authority to transfer such surplus stock from one department to another department, or to another municipality, and shall have the authority to sell, or dispose of such surplus stock and /or obsolete equipment or to exchange or trade the same for replacement goods.
- 18.3 Where surplus stock is offered to but not required by any City department, another municipality, non-profit or charitable organization it shall be disposed of through a public process unless otherwise approved by Council.
- 18.4 Vehicle disposal is an important element of the City's Fleet asset Life Cycle. Fleet disposals shall be managed by the Director, Fleet Management Services so as to maximize return on investment.
- 18.5 No employee or Member of Council of the City will personally obtain any item of such surplus stock, vehicle or obsolete equipment unless it is obtained through a public process, except as otherwise specifically provided for in another City policy.

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19. General and Administration

Procurement Policy Review

- 19.1 This Policy will be reviewed, at minimum, at the beginning of each new term of Council, to evaluate its effectiveness. This review shall be undertaken by an ad hoc committee of Directors sponsored by the Chief Financial Officer and City Treasurer and chaired by the Director, Procurement Services. This provision is intended for review purposes only; the failure to conduct a review within the time period set out shall not have an effect on the validity of this Policy. In the event that changes are recommended, the revised Policy will be subject to approval of Council.

Procurement Procedures

- 19.2 The Chief Financial Officer & City Treasurer and the Director of Procurement Services shall have the authority to approve procedures to implement this Policy.

Contract Documents

- 19.3 a) All contracts executed pursuant to this Procurement Policy shall be delivered to the Director of Procurement Services for safekeeping.
- b) All procurement related payments will be made through a purchase order or P-card except for items exempt under section 19.4.

Exemptions

- 19.4 All items listed below are exempt from the application of this Policy, subject to such expenditures being approved by the appropriate staff and being within the annual approved budget:
- a) Employer's General Expenses, such as:
- o Payroll deduction remittances;
 - o Health benefits;
 - o Debenture payments;
 - o Insurance claims;

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- Property tax refunds; and/or,
- WSIB remittances.
- b) Utilities charges, such as:
 - Water;
 - Hydro; and/or,
 - Natural gas.
- c) Any work that must be completed by Federal/Provincial-regulated bodies/utilities or other authorities having jurisdiction (e.g. CN/CP/Metrolinx, Transit authorities, hydro, telephone and cable)
- d) Postal Charges
- e) Telecommunication Charges
- f) Training and Education, such as:
 - Attendance at conferences, seminars, courses and conventions;
 - Membership fees; and/or,
 - Subscriptions for magazines, periodicals.
- g) Refundable Council and Employee Expenses in accordance with the Council and Employee Expense policies
- h) Special Services, such as:
 - Legal Services, where the use of a Vendor of Record does not meet a specific requirement due to timing or other circumstance as determined by the City Solicitor
 - Expert witnesses for litigation
 - Licences and maintenance costs for proprietary software and systems
 - Appraisal services
 - Arbitrators
 - Facilitators, instructors, speakers or performers
 - Honouraria
 - Charges to and from other government agencies, including transit tickets
 - Real property
 - Fund raising and other events

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- Performers including any associated technical requirement such as lighting, audio and stage setup, etc.

Position Titles

- 19.5 Staff position titles used throughout this Policy may change from time to time. Such changes shall not have an effect on the validity of this Policy. The Director of Procurement is responsible for updating titles as required. Such amendments to this Policy are administrative in nature and do not require approval of Council.

Repeal of Former Purchasing or Procurement Policies

- 19.6 All procurement policies approved prior to the enactment of this Procurement Policy are repealed.

CONTACT

Director of Procurement Services

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Report No/Item:	FAA9(1)	Report No/Item:	FAA3(1)
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