

THE CORPORATION OF THE CITY OF WELLAND

BY-LAW NUMBER 2024-109

A BY-LAW TO ESTABLISH AND ADOPT A
PURCHASING POLICY; AND TO REPEAL BY-LAW
2015-1

WHEREAS Council deems it necessary and advisable to adopt a new purchasing policy for the Corporation.

NOW THEREFORE THE MUNICIPAL COUNCIL OF THE CORPORATION OF THE CITY OF WELLAND ENACTS AS FOLLOWS:

1. That the Purchasing Policy attached hereto as Schedule "A" shall be and the same is hereby adopted and approved as the Purchasing Policy for the City of Welland, governing all matters falling within the scope of same.
2. That By-law 2015-1 shall be and the same is hereby repealed.
3. This by-law shall come into full force and effect on the date of passage.

READ A FIRST, SECOND AND THIRD TIME AND PASSED BY COUNCIL THIS 26th DAY OF November, 2024.


MAYOR


CITY CLERK

APPENDIX 'A'



PURCHASING POLICY

THE GOVERNING POSTULATE FOR THIS POLICY:

TO ENSURE THE INTEGRITY OF THE PROCUREMENT PROCESS

October 2024

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PURCHASING POLICY FOR THE CORPORATION OF THE CITY OF WELLAND

PART I - PURPOSES, GOALS AND OBJECTIVES:

To meet the current and future needs of the Corporation by acquiring goods and services and completing projects that enhance access, competition, and fairness. Our goal is to achieve the best value or the optimal balance of overall benefits for the City of Welland and its residents while maintaining organizational and financial accountability.

To establish a policy that ensures effective and efficient delivery while maintaining process integrity through accountability, fairness, objectivity, and transparency.

This policy's purpose, goal, and objective for all methods of procurement are:

- To seek a balance between cost savings and best value while protecting the interests of the City.
- To consider, promote and incorporate accessibility for persons with the requirements of the *Ontarians with Disabilities Act*, as amended.
- To maintain timely and relevant policies and procedures and to this end, it is intended that this by-law be reviewed at least every five years or earlier to evaluate its effectiveness.
- To make sure spending is authorized and policies are regularly reviewed to ensure they meet our goals and objectives, ensuring accountability and integrity. To always try to use environmentally friendly options whenever possible and feasible.

PART II - SCHEDULES:

The following Schedules form part of this policy:

Schedule "A": "Goods and Services Exempt from this Purchasing Policy."

Schedule "B": "Requisition and Purchasing Methods with Approval Authority."

Schedule "C": "List of Bid Irregularities with Applicable Consequences"

Schedule "D": "Glossary of Purchasing Definitions and Terms"

PART III - AUTHORITY - EXPENDITURE CONTROL

All purchases of goods and services and construction shall be authorized as follows:

This policy allows specific individuals listed in Schedule 'B' to make purchases as authorized agents for the City of Welland. They can buy goods and services listed in Schedule 'A' if enough money is available in the Council-approved budgets.

All purchase requisitions, orders, agreements, leases, or contracts for goods, services, and construction must have legally required signatures.

The Purchasing Services Division shall operate under the direction of the General Manager of Corporate and Enterprise Services/CFO, and City Treasurer and shall have the authority to sign Purchase Orders, Blanket Orders and Purchase Commitment agreements (contracts) that are in accordance with this policy.

A Contractual Agreement or Purchase Order can be issued upon authorization by the appropriate Approval and Signing Authority indicated within SCHEDULE 'B' after having called a Tender, Request for Quotation or Request for Proposal as appropriate provided that:

- There are no ongoing legal disputes between the bidder and the City.
- The bid received the number of responses as indicated.
- The procurement process was open and transparent.
- The scope of work remains unchanged since budget approval.
- The financial outcome is within the approved budget.
- The contract is awarded to the lowest-priced or highest-scoring bidder.

If there are any irregularities or informalities in a tender or proposal submission process, the Purchasing Services Division will analyze the bid opening and note these issues. They will then forward a report to the end user division. The end user division will prepare a staff report for Council approval and award of the tender or proposal for these instances.

The requirement to issue a tender, request for proposal, or request for quotation may be waived with approval from the designated authority listed in SCHEDULE 'B'. This applies when procuring goods or services under the following circumstances.

- The extension or reinstatement of an existing contract would prove more cost effective or beneficial to the City in the opinion of the Purchasing Services Division in conjunction with the appropriate Manager and/or Director.
- Goods and services are only available from one source.

- Where for reasons of time or due to the nature of the goods and services to be supplied, the interests of the City would be best served by a direct purchase, or an “Invitation to Quotation or Tender” to three or more selected Bidders, instead of the calling of a public bid process. Please also refer also to Purchase by Negotiation.

The Procurement process shall be carried out in accordance with the City’s Procurement Policies and Procedures as amended.

PART IV – RESPONSIBILITIES OF THE DIVISIONS:

Those named in SCHEDULE ‘B’ shall also be required to:

- Make sure everyone follows this policy and its procedures.
- Maintain good relationships with vendors and handle negotiations, following policy rules.
- Ensure all contract terms and conditions adhere to the bid solicitation.
- Create and approve specifications and terms of reference.
- Ensure vendors follow contract terms and conditions.
- Track contract spending to meet financial limits and pay bills on time as per the contract.
- Monitor vendor performance to ensure deliverables are on time and as specified.
- Use standardized goods and services when it helps this policy's goals.

The City of Welland divisions will stay informed about vendor data related to a potential contractor's performance history, financial status, and practices before recommending awarding a contract. They will also monitor contractor performance using the Contractor Performance Evaluation Report (as amended) to document evidence of performance and notify the Purchasing Services Division in writing if a contractor fails to meet contract requirements. The Purchasing Services Division can then prohibit or interview a contractor with unsatisfactory performance from bidding on future contracts, following policies approved by the Council. Everyone listed in Schedule "B" and the Purchasing Services team must keep up-to-date digital records. These records are essential for maintaining a history of transactions, providing an accurate audit trail for financial reviews, and handling any legal actions or official complaints. Keeping current files is also crucial for anyone who may need to review or take over these records in the future.

To help City Departments develop creative and flexible procurement strategies, the Purchasing Services Division will aim to be involved early and work closely with the Client Division. This may include helping identify needs, assisting with completing the Purchasing Requisition to define requirements, developing procurement strategies, and drafting solicitation documents.

The Purchasing Services Division will proactively consult and be readily available to guide and assist any Division or colleagues seeking to better understand this policy. Through this process, Purchasing

Services ensure the objectivity and integrity of the procurement process by clearly defining when each procurement method should be used.

The Purchasing Services Division will report any violations to the General Manager of Corporate and Enterprise Services/CFO, the City Treasurer, and the relevant Department Director for appropriate action.

PART V – PURCHASING GUIDELINES:

GENERAL

To ensure consistent purchasing and acquisition practices, the Purchasing Services Division will develop and establish purchasing procedures aligned with the purposes, goals, and objectives outlined in this policy. These procedures will be approved by the Corporate Leadership Team in partnership with City Council and all departments must adhere to them.

The Purchasing Services Division will administer this Policy and respond to any questions regarding its interpretation or application.

Individual departments must initiate purchases only for their specific needs to prevent duplication and to leverage corporate purchasing power. When the Corporate Leadership Team determines that goods and services involve multiple departments, the Purchasing Department will gather spending data and issue the necessary cooperative bid documents on behalf of each department.

Despite the provisions of this policy, every bid document issued by the City will include a provision stating that the City of Welland reserves the right to reject the lowest or any bid at its absolute discretion. Additionally, the City reserves the right to reissue the bid documents in their original form or with revised specifications as needed.

No contract or purchase order shall be divided to circumvent the requirements outlined in this policy. The practice of splitting purchases to evade any of the purchasing processes specified in this policy is strictly prohibited.

A director or their designate is authorized to solicit bids before the City Council adopts the capital budget. Bids must include a clause stating that accepting a bid and placing an order is contingent upon budget approval. The specified items are also subject to potential changes in quantity or removal by way of a Change Order.

In accordance with Schedule 'B' of this policy, dollar amounts specified for the purchasing process shall generally refer to the total cost before taxes, duties, and freight, unless otherwise indicated.

Unless otherwise specified, all purchases of goods, services, and construction must be conducted

competitively, following accepted public purchasing practices and complying with relevant federal, provincial, and municipal laws and treaties. The City does not seek in-house bids that compete with external firms.

No contract for services shall be awarded if the services would establish an employer-employee relationship.

No employee shall purchase any goods, services, or construction on behalf of the City except in accordance with this policy.

Council members shall conduct themselves in accordance with the Municipal Conflict of Interest Act, as amended.

Unless otherwise specified, no work may begin or commitment to purchase goods may be made until an official Purchase Order has been issued or a contract signed, and all required documents, including but not limited to the Workplace Safety and Insurance Board (WSIB) and appropriate insurance, and approvals have been received.

TELECOMMUNICATIONS, COMPUTER EQUIPMENT AND SERVICES

All telecommunications, computer, video security, and electronic building access systems, software, and related products and services must be budgeted and requested through Information Services. If these purchases are part of a larger, separately funded project, Information Services must be involved in the specification and approval process to ensure security, corporate standards, and compatibility.

No payment of any item shall be processed by the City of Welland without first receiving authorization from Information Services.

CONTRACT WITHOUT BUDGETARY APPROPRIATION

The authority to award a contract is subject to the identification and availability of sufficient funds in the appropriate accounts within the City Council approved budget. If goods, services, or construction are needed but funds are not available in the Council approved budget to cover the proposed expenditure, the Director must submit a report to Council before starting the purchasing process. The report should include:

- information surrounding the requirement to contract.
- the terms of reference to be provided in the contract.
- Information on the availability of funds within existing estimates that were originally approved by Council for other purposes, or on the need for additional funds.

LEGAL CLAIMS AND DAMAGES

- The City can reject a quotation, tender, or proposal from a bidder if the bidder, or any of its officers or directors, **is involved** in a legal action or claim against the City, its officers, or employees regarding: Any other contract or services.
- Any matter arising from the City's exercise of its powers, duties, or functions.

When deciding whether to reject a quotation, tender, or proposal, the City will consider if the legal action or claim might affect the bidder's ability to work with the City and its team.

NO LOCAL PREFERENCE

The City of Welland aims to get the best value in its purchases. This means the City is not required to buy goods or supplies based on Canadian content or prefer **local or** Ontario based suppliers, subject to any companion policies that may arise. This follows treaties such as the Comprehensive Economic and Trade Agreement (CETA) and the Canadian Free Trade Agreement (CFTA).

LOBBYING

Bidders are not allowed to contact any member of Council or City of Welland employees to influence contract awards. Any attempt to influence decisions through emails, phone calls, text messages, meetings, social media posts and/or messages, social events, gifts, and/or meals, either directly or through an intermediary, related to the selection process, will disqualify the bidder from the project. However, this rule doesn't apply to meetings set up by the City for presentations or negotiations, or for asking City staff questions to clarify requirements. Once a bidder is awarded the contract, they cannot try to influence any member of Council or City of Welland employee to buy additional enhancements, options, or modules. However, they can communicate with Purchasing Services for contract administration matters during the contract term. The City's Purchasing Services has the sole discretion, acting reasonably, to determine what qualifies as influential activity, and this decision is not open to appeal.

ENVIRONMENTAL CONSIDERATIONS

The City of Welland and Purchasing Services is committed to reducing waste and promoting environmentally friendly procurement practices. They aim to adjust specifications for purchasing goods and services to favor products that are durable, energy-efficient, reusable, and have high recyclable content, while still meeting their intended purposes effectively.

It is understood that careful cost analysis will ensure that environmentally friendly products are competitively priced, promoting the adoption and awareness of sustainable practices.

When possible, the City of Welland may give preference to bids that minimize environmental impact

or vendors who offer goods made with recycled materials. Recycled materials, in this context, are those that have a reduced impact on human health and the environment compared to similar products.

The City of Welland mandates that all products, services, including their components and associated preparatory work delivered to and performed on its premises, must comply with the Canadian Environmental Protection Act as amended and its related regulations, codes of practice, and guidelines.

COUNCIL APPROVAL REQUIRED

Despite other provisions in this policy, the following contracts require Council approval:

- Contracts where the minimum required number of bids are not received.
- Contracts where the scope of work has changed since budget approval.
- Contracts exceeding the Council Approved Budget or resulting in insufficient remaining funds in the project budget.
- Contracts where an irregularity prevents awarding the lowest bid or highest scoring proposal.
- Contracts required under the City's Financing Lease Policy.
- Contracts related to property acquisition and disposal.
- Purchase by negotiation exceeding the threshold specified in Schedule 'B'.

ACCESSIBILITY WHEN ACQUIRING GOODS AND/OR SERVICES

Following the Human Rights Code, Ontarians with Disabilities Act, and Accessibility for Ontarians with Disabilities Act, along with its regulations and integrated Accessibility Standards (Ontario Regulation 191/11, Part 1, section 5), as amended, we will include accessibility design criteria in our procurement specifications, unless it's impractical to do so. During RFP competitions, we will also prioritize accessibility as an evaluation criterion wherever possible.

PART VI – PURCHASING:

PURCHASING CARD

The Finance office oversees policies and procedures for corporate Purchasing Cards. When Purchasing Cards are used for payments, users authorized to use these cards must follow all procedures outlined in the Purchasing By-law and the associated Purchasing Card policy.

BLANKET PURCHASE ORDERS:

A blanket purchase order may be used where:

- One or more divisions frequently order the same goods or services without knowing the exact demand in advance.
- Anticipated needs for a variety of goods or services for specific purposes where convenience and location are critical factors, but the exact demand is initially uncertain.

The Purchasing Services Division shall create and maintain blanket purchase orders upon request.

To set prices and choose suppliers, the Purchasing Services Division will use the guidelines outlined in this policy for acquiring goods or services.

Multiple suppliers may be chosen when it benefits the City's interests and the bid solicitation permits, such as in the case of a Vendor of Record.

PURCHASING PROCESSES

The procedures for purchasing goods, services, or construction are specified in Schedule "B". These procedures may be used, subject to the guidelines outlined in this policy, for procuring goods, services, and construction.

DIRECT PURCHASES - LOW DOLLAR PURCHASES: ≤ \$10,000

Purchases in this section do not require formal quotes but should be obtained from competitive sources at fair market prices whenever possible. Any authorized employee, with approval from a manager, can make these purchases using an approved receipt, Purchase Order, or Purchasing Card (In accordance with associated Purchasing Card policy).

Non-sealed (Informal) RFx: > \$10,000 but ≤ \$100,000

For goods and services valued between \$10,000 and \$100,000, managers and directors have authorization to approve purchases from suppliers under terms that best suit the corporation. Staff must obtain a minimum of three informal written quotations, which should be attached to the purchase requisition and voucher for audit purposes. These quotations may be provided on vendor letterhead. Workers' Safety Insurance Board (WSIB) and insurance may be necessary if work is to be conducted on City-owned property. If three quotations cannot be attained, a report to the Director must be submitted explaining why the minimum quotes were not attained and shall be approved at the Director's discretion.

An Informal RFx will be called and awarded when the purchase conditions are met if the item's estimated value is between \$10,000 and \$100,000, funds are available within approved budgets, the requirement is fully defined, and the lowest compliant bid meeting specifications offers the best value.

FORMAL SEALED RFx: > \$100,000 but ≤ \$300,000

For goods or services valued between \$100,000 and \$300,000, the Chief Administrative Officer (CAO) and Chief Financial Officer (CFO) or designates are authorized to approve purchases if a formal RFx process requirements are met. This includes ensuring a fair and transparent process with at least three bid responses received, staying within the approved budget, maintaining the original scope of work, and awarding the contract to the lowest priced or highest scoring bidder. The manager must submit a detailed report outlining the procurement process and needs background for approval to the CAO and CFO or designates. This signed report, along with bid documents, responses, addenda, and purchase requisition, will be filed by Purchasing Services.

City Purchasing will advertise formal sealed RFx responses on an online bidding platform and notify the Clerk's Division of bid openings. Financial details for request for proposal bids will remain confidential until after non-financial technical evaluations are completed. Once scoring is finished, the financial information will be shared with the Clerk's Division and documented accordingly.

Upon approval from the CAO and CFO, the Purchasing Services Division will either issue a Purchase Order or draft a contract with the successful bidder.

If fewer than three bid responses are received for goods and services within this threshold, the manager and director will report to the CAO and CFO, explaining why there are fewer responses. In such cases, the CAO and CFO may recommend submitting a report to Council to seek approval for the award (refer also to purchase by negotiation).

FORMAL SEALED TENDERS / PROPOSALS / QUOTATIONS > \$300,000

Purchasing Services will advertise electronic formal tenders, quotations, and proposals on the online bidding platform. They will ensure all required forms are submitted, bids are signed correctly, addenda are acknowledged, and the specified bid security is provided. Bid amounts will be recorded and sent to the City Clerk. Initial tender results will be promptly posted on the online bidding platform. Responses will then undergo a review for accuracy, with any errors communicated to the bidder and corrections made online as needed.

Once at least three formal bid responses are received, a report will be prepared for the Director, CAO, and CFO or designates. This report will seek approval to finalize a contract with the successful bidder, chosen based on being either the lowest priced or highest scoring, depending on the evaluation criteria.

If fewer than three bid responses are received for goods and services within this threshold, a report outlining the reasons for the limited responses will be submitted to City Council. The report will include a recommendation on whether to proceed with the award or recommended next steps.

REQUEST FOR PROPOSALS

A request for proposal will be utilized when one or more of the criteria for issuing a request for tender cannot be fulfilled:

- The requirement is best described in a general performance specification, inviting suppliers to propose innovative solutions. The selection is based on the effectiveness of the proposed solution using a weighted scoring matrix, rather than solely on price.
- Negotiations with one or more bidders may be necessary concerning any aspect of the requirement.

The manager, director, or purchasing services division, on their behalf, may award contracts resulting from a request for proposal provided that:

- The award is made to the supplier meeting all mandatory requirements and determined, by reference to an evaluation grid, as providing best value;
- A proper agreement is prepared as appropriate for the given project;
- Sufficient funds are available and identified in appropriate accounts within Council Approved Budgets.

REQUEST FOR EXPRESSIONS OF INTEREST (RFEI or RFI)

A manager, director, or purchasing services may initiate a request for expression of interest to determine the availability of suppliers for goods, services, or construction and to maintain a supplier list. An award cannot be made through this process; a formal bidding process must be conducted to finalize any awards.

PURCHASE BY NEGOTIATION

The director or purchasing services division may negotiate with one or more bidders under any of the following conditions, where the requirement for inviting tenders or quotations is waived:

- When goods are judged to be in short supply due to market conditions, as determined by the Director;
- Where there is only one source of supply (sole source) for the goods or services, or where only one source of supply would be acceptable and cost-effective;
- Where exclusive rights are held by a supplier, or there is a need for compatibility with previously acquired goods and services;

- In cases of emergency where goods and services are urgently required and direct negotiation is necessary, as outlined in Emergency Purchases guidelines;
- When the required goods and services necessitate special knowledge, skills, expertise, or experience from a particular vendor or supplier;
- When two or more lowest compliant bids are identical;
- When the lowest tender or quotation substantially exceeds the estimated cost, making it impractical to recall the tender or quotation;
- When all bids received fail to meet specifications or tender terms and conditions, and recalling tenders or quotations is impractical;
- When no bids are received in a tender or quotation call;
- When only one bid is received in a tender or quotation call.

When a purchase by negotiation is necessary, refer to SCHEDULE 'B' for approval authority.

The negotiation methods must adhere to standard practices outlined in the [Ontario Public Buyers Association \(OPBA\) Code of Ethics](#).

PROFESSIONAL SERVICES:

When purchase for professional services is necessary (as defined on Page 34) refer to SCHEDULE 'B' for approval authority.

EMERGENCY PURCHASES:

In case of an emergency requiring immediate procurement of goods and/or services, the Director, CFO, and CAO will instruct the Purchasing Services Division in writing to make the purchase swiftly and on the best possible terms, overriding normal purchasing procedures.

For emergency purchases that exceed the standard purchasing methods and approval limits, the CFO and Director must promptly notify the necessary approval authorities (refer to SCHEDULE 'B') with a detailed written report explaining the emergency circumstances. This report will follow the approval process outlined in the Purchasing Policy, similar to non-emergency purchases. An immediate memo to Council shall be issued indicating the nature of the emergency.

CO-OPERATIVE PURCHASES

The Purchasing Services Division is authorized to collaborate on purchasing with other municipalities, regions, local boards, and public agencies. Currently, they are active members of the Niagara Public Purchasing Committee (NPPC) and participate in several group purchasing organizations and buying groups like Canoe, Kinetic GPO, LAS, OECM, and MGS. They are open to joining other collaborative buying groups as well.

Any purchase order, contract, or any other award resulting from the cooperative tendering process shall be subject to all conditions and limitations of this policy and the [City's purchase order terms and conditions](#).

ACQUISITION OF GOODS AND SERVICES FROM OTHER GOVERNMENT BODIES

The purchasing services division can buy goods and services from federal, provincial, or municipal bodies when they can't find them elsewhere. They can also use provincial and federal standing agreements or competitive procurement processes if it benefits Welland. Service relocations must be handled by designated authorities including but not limited to Welland Hydro or Enbridge Gas.

SPECIFICATIONS

Divisions shall be responsible for preparing and providing specifications to the purchasing services division by way of a written requisition when required. The purchasing services division, when applicable, shall review all specifications, terms, and conditions and have the authority to recommend updates.

Vendors or potential vendors shall not be asked to spend extra time, money, or effort on design or developing specifications beyond what is typically expected. If such services are needed:

- Notify the Purchasing Services Division.
- The contracted vendor will be treated as a consultant and may be restricted from bidding on the supply of goods and/or services.
- Agree on a fee with the vendor before starting the service.
- The detailed specifications will belong to the City of Welland and can be used for obtaining competitive bids.

PART VII - DESIGN AND DEVELOPMENT SERVICES

If suppliers, potential suppliers, or consulting firms are asked to do more than their standard services—like designing specifications or defining requirements—the director and purchasing services division must be notified. In these cases, the company should receive compensation at an agreed-upon fee. The specifications created through this process will belong to the Corporation and can be used to solicit competitive bids.

Suppliers or consultants contracted to provide design services or specifications for work that will be tendered or quoted may be restricted from submitting a bid for that work, unless specified otherwise.

PART VIII - IDENTICAL BIDS

If two or more bidders submit identical lowest compliant bids in terms of total acquisition cost or unit price, the Division Manager or the Purchasing Services Division, with approval from the Division Director overseeing the bid solicitation, negotiate with these bidders to try to obtain a lower price. Records of these negotiations will be maintained, and a "Best and Final Offer" (BAFO) process may be used to reach an award decision.

The Director or Purchasing Services Division must not disclose details of these negotiations or how the final price was determined to any of the bidders involved. A report on the negotiation outcomes will be included in the record.

If negotiations fail in breaking the tie between identical tenders, the successful bidder will be determined by draw or flipping a coin in the presence of the Division Director and a member of the CFO or CAO or Clerks office as witnesses to the result. The involved bidders will be invited to attend as well.

PART IX - BIDS IN EXCESS OF PROJECT ESTIMATES:

When bids come in higher than expected for a project, the division director and purchasing services division can negotiate with the lowest compliant bidder to bring the bid within the project's budgeted amount. If the negotiated bid still exceeds the initial budget, they must seek City Council approval with a written report to proceed.

PART X - BID IRREGULARITIES:

The procedure for handling irregularities in the formal bids process for all contracts is detailed in Schedule 'C'.

PART XI – VENDOR NOTIFICATION OF BID OPPORTUNITIES:

Invitations for quotations, tenders, and proposals may be distributed to potential bidders to maximize the response to the call. Every effort will be made to notify qualified firms, but it remains the responsibility of interested firms to monitor the City's online bidding platform and cooperative bidding websites for competition notifications relevant to them.

PART XII - NOTWITHSTANDING REPORTS/PURCHASES OUTSIDE OF POLICY

For proposed purchases that fall outside the scope of this policy, the requesting division must obtain Council approval.

PART XIII - GUARANTEE OF CONTRACT EXECUTION AND PERFORMANCE

BID SECURITY

The division director can request that bids include bid security to ensure contract fulfillment. Together with the purchasing services division, they'll choose the method for guaranteeing contract execution. Options include Canadian currency, certified cheque, bank draft, money order, surety bond from a federally approved company, or the city's standard irrevocable standby letter of credit. The bid documents will specify the required amount of bid security.

The director can require bids to include:

- **Performance of Contract Security:** Ensures the bidder fulfills the contract.
- **Labour and/or Material Payment Security:** Ensures payment for labour and materials.

The director, with the purchasing services division, will choose the means to ensure these securities. This agreement guarantees the bidder can obtain required performance and labour/material payment bonds from an approved, Ontario-licensed guarantee company, using bond forms accepted by the city.

Before starting work, the City requires satisfactory evidence of insurance coverage. This insurance must indemnify the City against claims, losses, costs, or damages arising from the bidder's obligations under the contract and any other risks identified by the City as needing coverage.

Before making payment to a supplier, the City requires a Certificate of Clearance from the Workplace Safety and Insurance Board. This certificate ensures that all premiums or levies owed to the Workplace Safety and Insurance Board have been paid up to the date of payment.

When consultants, contractors, and subcontractors work on site or for the City of Welland, they must adhere to the Workplace Safety and Insurance Act, S.O. 1997, c. 16, as amended. This ensures that all their employees, including subcontractors' staff working under City contracts, are covered by WSIB. Before starting any work, vendors must provide the City with a WSIB certificate that meets the City's specified format and content. Work cannot commence until this requirement is met.

PART XIV - CONTRACTUAL AGREEMENT

- Contracts for all purchases must be awarded through either a formal agreement or a purchase order. The only exceptions permitted are for purchases made through approved invoices or purchasing card, as outlined in the sections specified in SCHEDULE 'A' attached, unless expressly requested otherwise by the requisitioner.

- A purchase order is used when the resulting contract requires only the City's standard terms and conditions.
- A formal agreement is used when the resulting contract is complex and includes terms and conditions beyond the City's standard contractual terms.
- It is the responsibility of the division director overseeing the bid solicitation, in collaboration with the purchasing services division and/or the city solicitor or their designate(s), to decide whether it is advantageous for the City to enter into a formal agreement with the supplier.
- If it is decided that a formal agreement is necessary, the agreement must be reviewed and authorized for execution by the city solicitor or their designate.
- When a formal agreement is necessary, the director has the authority to execute the agreement on behalf of the City.
- When a formal agreement is issued, the purchasing services division may issue a purchase order that incorporates the terms of the formal agreement.
- If a formal agreement is unnecessary, Purchasing Services will issue and finalize a Purchase Order with the applicable terms and conditions.

PART XV - CONFLICT OF INTEREST

A conflict of interest exists in a contract in which the City is concerned, if,

- 1) the employee or their spouse:
 - Is a shareholder, director, or senior officer of a non-publicly traded corporation with a pecuniary interest in the contract,
 - Holds a controlling interest or is a director or senior officer of a publicly traded corporation with a pecuniary interest in the contract
 - Is a member of an incorporated association or partnership with a pecuniary interest in the matter OR;
- 2) If an employee, directly or through their spouse, is employed by a person, corporation, partnership or other entity that stands to gain financially from a contract, the employee must promptly disclose their interest and its nature to the Director responsible for the contract award. They are prohibited from participating in any decisions related to awarding the contract and must refrain from attempting to influence the contract award process in any way, and:
 - immediately disclose their interest to the director responsible for awarding the contract and describe its general nature and not take part in the award of the contract.
 - not attempt to influence the award of the contract
 - A manager, director, or the purchasing services division cannot open, consider any bid, or acquire goods or services from an elected official from a federal, regional or provincial or city official or employee without prior approval from the council before the bid closes or the goods or services are acquired.

Elected officials of the city cannot contact individuals, officers, employees, or agents of entities that have submitted bids to the city unless the bid has already been awarded or the contact pertains to addressing a complaint.

- No city employee, except for the employee overseeing the bid solicitation process, may contact any individual, officer, employee, or agent of an entity that has submitted a bid to the city unless the bid has been awarded or the contact is related to addressing a complaint.
- All bidders must disclose any actual or potential conflicts of interest to the City before submitting a bid or accepting a contract. If the purchasing services division identifies a conflict of interest, the City reserves the right to decide not to consider the bid, decline to award the contract, consider alternative bids, or terminate an existing contract, as deemed appropriate.

If a City employee has a personal or family interest in a business dealing with the City, they must notify their supervisor in writing. The supervisor will then work to find a solution that allows the matter to be handled impartially. The director will inform the purchasing services division of any serious issues, and they will decide if the conflict is significant enough to restrict the employee's involvement in the matter.

PART XVI - DISPOSAL OF SURPLUS

The purchasing services division, under the direction of appropriate approvals, has the authority to sell, exchange, or otherwise dispose of goods declared as surplus to the City's needs. This process will be carried out when it is deemed cost-effective and beneficial for the City.

- (a) Offer them for sale to other City divisions, affiliates, government agencies, or public authorities or,
- (b) Sell them through external advertisement, formal request, auction, or public sale (with the option to set a reserve price if deemed necessary) or,
- (c) Sell or trade them back to the original supplier or others in the industry if it results in a higher net return than other methods or,
- (d) Donate them to non-profit agencies or,
- (e) Recycle them or,
- (f) If all attempts to sell or donate fail, goods may be scrapped or destroyed if recycling isn't feasible.

No surplus goods shall be disposed to employees, elected officials, or their family members unless they are sold through external advertisement, formal request, auction, or public sale, and no conflict of interest exists.

PART XVII - PAYMENT

Finance must ensure that all goods and services covered by a purchase order, contract, progress certificate on construction, or other authorized purchasing processes are paid for in accordance with the requirements of the *Municipal Act*.

No advance payment for goods, services, or equipment shall be made unless specifically provided for in the purchasing agreement, as documented by a tender, purchase order, or another form of purchasing contract.

PART XVIII - INVENTORY CONTROL

A system for managing materials and controlling inventory is utilized to ensure there are sufficient commodities to meet the needs of all City divisions. The storeroom is located at 99 Federal Road, Welland.

PART XIX ACCESS TO INFORMATION

Information received regarding bid solicitations or the award of contracts resulting from bid solicitations will be protected according to the *Municipal Freedom of Information and Protection of Privacy Act*, as amended.

All records and information related to tenders, proposals, and other sealed bids that contain trade secrets, scientific, technical, commercial, financial, or other confidential labor relations information provided implicitly or explicitly in confidence shall remain confidential if their disclosure could reasonably be expected to cause:

- a) significant prejudice to the competitive position or substantial interference with the contractual or other negotiations of any person, group, or organization;
- b) cessation of the supply of similar information to the City where it is in the public interest to continue receiving such information;
- c) undue financial loss or gain to any person, group, committee, financial institution, or agency; or
- d) disclosure of information that could reasonably be expected to harm the financial interests of the City.

PART XX - ETHICS IN PURCHASING

The rules of conduct set by the Ontario Public Buyers Association (OPBA) must be followed by all staff involved in purchasing for the City.

The [purchasing ethics guidelines from the Ontario Public Buyers Association \(OPBA\)](#) require all City staff involved in procurement to adhere to the following principles:

- **Open and Honest Dealings:** Treat everyone involved in the purchasing process with transparency and integrity, including businesses, City staff, and the public using Purchasing Services.
- **Fair and Impartial Award Recommendations:** Ensure all contract and tender awards are based on fairness and impartiality, without giving preferential treatment to any vendor, including local businesses. This ensures open competition and maximizes value for taxpayer dollars.
- **Personal Integrity:** Maintain a high standard of personal integrity among all designated purchasing representatives. City staff must not accept gifts or favors in exchange for business, nor publicly endorse one company to unfairly advantage it over others.
- **Cooperation with Other Agencies:** Collaborate with other public agencies to leverage collective expertise and resources through cooperative purchasing groups. This approach allows for better value analysis and cost savings when purchasing goods and services in bulk.

PART XXI - RESOLUTION OF QUESTIONS OF POLICY

Any question involving the meaning or application of this policy should be directed to the General Manager of Corporate and Enterprise Services/CFO and Manager of Purchasing.

PART XXII– PROVIDING ASSISTANCE TO OTHER AGENCIES

The division director or the purchasing services division, with authorization from the CAO and ensuring it does not disrupt city operations, may loan, lease, rent, or otherwise provide City-owned vehicles, equipment, or other goods to federal, provincial, or municipal bodies, ministries, agencies, boards, corporations, or authorities in cases of unforeseen needs.

PART XXIII- ADMINISTRATION

This policy is subject to complete review on a regular basis at a minimum of every five years. In this policy, unless stated otherwise, singular words also mean their plural forms when needed. City Council can approve or guide additional rules and policies that complement how the City conducts procurement. These might include social procurement, local economy, paying fair wages, and making sure purchases are ethical and sustainable.

SCHEDULE "A" - GOODS AND SERVICES EXEMPT FROM THIS PURCHASING POLICY

Purchasing processes are not needed for certain items unless the requisitioning division or the Agent asks for them. The Agent can sign any necessary contracts listed in this schedule. If the Agent decides it's best for the City of Welland, they can pass this authority to someone else.

TRAINING AND EDUCATION: Registration and tuition fees for conferences, conventions, courses and seminars; memberships; staff development, workshops and training.

REFUNDABLE EMPLOYEE/COUNCILLOR EXPENSES: advances, meal allowances, travel and entertainment and miscellaneous - non-travel.

EMPLOYER'S GENERAL EXPENSES: Payroll and payroll deductions, medical, licenses including hardware and software, debenture payments, insurance premium payments, grants or charges to or from other government agencies, damage claims, tax remittances, petty cash replenishments, claim settlements and adjuster services, property tax refunds, Workplace Safety and Insurance Board (WSIB) remittance, building permit refunds, employer compensation.

PROFESSIONAL AND SPECIAL SERVICES: committee fees, counseling services, legal fees and other professional services related to litigation or legal matters. These include fees for filing, hearings and other administrative fees and costs of courts, boards, arbitration and other legal proceedings, funeral and burial expenses, witness fees, contracts related to the provision of "controlled acts" by persons "governed by a health profession Act", as those expressions are used in the *Regulated Health Professions Act*, S.O. 1991, c.18, as amended, Professional and skilled services provided to individuals as part of approved programs within the corporate or community services including but not limited to medical services, home care services, counseling services and childcare.

OTHER PROFESSIONAL AND SPECIAL SERVICES INCLUDING: Additional non-recurring accounting and auditing services, actuarial services, legal services if made in accordance with the delegation of authority to the city solicitor and the CAO, banking services and charges where covered by agreements, public debenture sales, group benefits, realty services regarding the lease, acquisition, demolition, sale of land and appraisal of land, performance/artists fees, honoraria, arbitrators, providers of artistic or recreations services (such as instructors in dance, yoga, gymnastics), historical experts, artistic designers, health and appearance therapists, skate sharpening services, expert witnesses.

UTILITIES: To include servicing and requested planted modifications, relocations related to construction, postage, water and sewage, hydro, gas, basic telephone service, cable television charges and other regulated authorities operating within and across municipal right of ways. (E.g. CN Rail, Via Rail, Enbridge).

ADVERTISING SERVICES: Required by the City on or in but not limited to radio, television, newspaper & magazines, online, social media.

BAILIFF OR COLLECTION AGENCIES

OTHER: Antiques and artifacts (shops, sales and repairs but not including restoration), Acquisition of Art (but not including commissioned works of art), publications (including newspapers, periodicals, magazines or books), maintenance and licensing software purchases for systems previously acquired, purchases of goods for the purposes of retail sales (re-sale) by the City (not including items bearing the City of Welland logo or insignia)

SCHEDULE 'B' – REQUISITION AND PURCHASING METHODS, APPROVAL AND SIGNING AUTHORITY

It shall be noted that all City of Welland staff is authorized to complete and submit a requisition form to their Manager or Director for approval

Dollar Value	Minimum Purchasing Method / Requirements	Page Number	Approval & Signing Authority
Non-Sealed (Informal) RFx			
≤ \$10,000	Direct Purchase /Payment Card Purchase	11	Any Employee authorized by a Manager
>\$10,000 to < \$100,000	Minimum 3 Informal Written Responses for Quotation, Tender OR Request for Proposal	11	Manager and Director
Sealed (Formal) RFx			
> \$100,000 to <\$300,000	Minimum 3 Formal Written Responses for Quotation, Tender OR Request for Proposal	12	C.A.O. and C.F.O. (or Designate(s))
> \$300,000	Minimum 3 Written Responses for Quotation, Tender OR Request for Proposal	12 - 13	Director, C.A.O. and C.F.O. (or Designate(s))
Purchase By Negotiation			
≤ \$25,000	"Purchase by Negotiation", Refer to Section 65 for a detailed description whereby inviting tenders or quotations may be waived.	13 – 14	C.F.O. and Director (or Designate(s))
>\$25,000 to ≤ \$100,000			C.A.O. and C.F.O. (or Designate(s))
> \$100,000			City Council
Professional Services			
≤ \$25,000	“Professional Services”, as defined on Page 34	34	C.F.O. and Director (or Designate(s)) Include in monthly reporting to Council
>\$25,000 to ≤ \$150,000			C.A.O. and C.F.O. (or Designate(s)) Include in monthly reporting to Council
> \$150,000			City Council Include in monthly reporting to Council

Emergency Purchases		SCHEDULE 'B Continued	
<\$100,000	"Emergency Purchase", means purchases made during an event in the City, which in the opinion of the C.A.O. or C.F.O. or Director and their authorized designate(s), requires an immediate purchase in order to prevent a serious delay in acquiring needed Goods and/or Services, which delay reasonably could result in a danger to life, excessive damage to property and/or the environment, or the suspension of the provision of an essential service. This may also be in accordance with the Emergency Management Plan as described by visiting: Emergency Management and Civil Protection Act, R.S.O. 1990, c. E.9 and appropriate revisions.	14	C.F.O. and Director (or Designate(s)) Immediate memo to Council
>\$100,000 to <\$300,000			C.A.O. and C.F.O. (or Designate(s)) Immediate memo to Council
> \$300,000			Director, C.A.O. and C.F.O. (or Designate(s)) Immediate memo to Council

Purchasing Services shall supply a monthly report to Council purchases >\$100,000. Report shall include but not be limited to the bid number, type of bid, budget, name of bidders, amounts and awarded bidder.

SCHEDULE "C" - BID IRREGULARITIES WITH APPLICABLE CONSEQUENCES

The City of Welland acknowledges that bids submitted in response to solicitations may occasionally contain errors, not all of which will necessarily disqualify the submission. **Bid Irregularity** is defined as a difference between the requirements (terms, conditions, specifications, special instructions) outlined in a bid request and the information provided in a bid response. The following list of irregularities is not exhaustive. purchasing services, in consultation with the requisitioning division, may reject a bid due to an irregularity not listed if it is deemed major. Alternatively, they may accept the bid or request that the bidder correct the deviation.

Bid irregularities are further classified as either “major irregularities” or “minor irregularities”, and defined as follows:

Major Irregularity is a deviation from the bid request that impacts the price, quality, quantity, or delivery terms and is significant to the award decision. Allowing such a deviation could unfairly advantage the bidder over others. Therefore, the City of Welland is required to reject any bid containing a major irregularity without further consideration.

Minor Irregularity is a deviation from the bid request which affects form, rather than substance (non-monetary).

Major Irregularity

Irregularity	Consequence
• Late Bid	Major Irregularity
• Bid Security not provided, in form or submitted at less than the amount specified	Major Irregularity
• Bid Security not signed by the Bidder or Bonding Company	Major Irregularity
• Failure to execute or submit Agreement to Bond, if required	Major Irregularity
• Bid documents not properly signed or witnessed	Major Irregularity
• Qualified Bid (Bid is restricted by a statement added to the Bid Document or covering letter or alterations to a form)	Major Irregularity
• Bids received on documents other than those provided in the request	Major Irregularity
• Incomplete Bids or all required sections of the bid document not completed	Major Irregularity
• The City of Welland will not accept bids containing changes, erasures, overweighting, whiteouts, cross outs, or strikeouts, which are not initialed by the bidder.	Major Irregularity
• Addenda not acknowledged	Major Irregularity

Minor Irregularity

Irregularity	Consequence
<ul style="list-style-type: none">• Bids which suggest that the Bidder has made a mistake in calculations or the Bid	Minor Irregularity Decision will be made on a case-by-case basis in consult with Purchasing Services and the City Solicitor
<ul style="list-style-type: none">• Minor clerical errors	Minor Irregularity
<ul style="list-style-type: none">• Mathematical Errors, Bids containing errors in extensions, additions or computations	Minor Irregularity The City has the right to correct mathematical errors

SCHEDULE "D" – GLOSSARY OF PURCHASING DEFINITIONS AND TERMS

"Agent" means the City of Welland Purchasing Agent or Manager of Purchasing.

"Agreement" means a formal written legal agreement or contract for the supply of goods, services, equipment or construction.

"Approved Receipt" means an original supplier's invoice/receipt issued at the time of purchase, of low dollar Goods or Services **not exceeding \$10,000**, and which bears both the signature of an appropriately authorized employee and appropriate account number(s) for approval purposes.

"Authority" or **"Authorized"** means the legal right to conduct the tasks outlined in this policy as directed by Council and delegated to the CAO, Department and Directors.

Authorized purchases are those that have prior approval of Council either through resolution or through the departmental budget.

"Award", "Awarded" and "Awarding" mean authorization to proceed with the purchase of Goods, Services or Construction from a chosen supplier.

"Best and Final Offer" (BAFO) is the last offer provided by an offeror in response to a Request for Proposal and all further negotiation ceases. When the provision for receiving best and final offers is included in an RFP, offerors are given the opportunity to submit a best and final offer after negotiations have been held. After the best and final offers are submitted, no further negotiations shall be conducted with any of the offerors and the decision to award is based on rescoring of the best and final offers.

"Bid" means an offer or submission from a supplier in response to a bid solicitation which is subject to acceptance or rejection by the Corporation.

"Bid Bond" is an insurance agreement in which a third party agrees to be liable to pay a certain amount of money in the event a selected bidder fails to accept the contract as bid.

"Bidder" is a legal entity who submits a competitively priced offer in response to an invitation for bid.

"Bid Dispute" is a written complaint provided received by the Corporation from a Bidder; detailing specific reasons of a complaint against the methods employed or decisions made by the City in the process leading to the Award of a contract.

"Bid Irregularities" is defined in Schedule "C" and includes the appropriate consequence to those irregularities.

“Bid Security” is a refundable security which provides financial assurance to the City and that the bid has been submitted in good faith and that the contractor intends to enter into a contract at the price bid and in accordance with the terms of the bid documents; it may come in the form of Canadian currency, certified cheque, money order, bank draft or the City’s standard irrevocable standby letter of credit.

“Bid Solicitation” means a formal request for Bids including an Informal Quotation, Request for Quotation, Request for Pre-Qualification, Request for Tender, Request for Proposal or Request for Expression of Interest.

“Blackout Period” is the period of time that starts once a bid solicitation has been issued. The “Blackout Period” ends at the Award.

“Blanket Purchase Order” A purchase order under which a purchaser contracts with a vendor to provide for a purchaser’s frequent, repetitive, small-order requirements for an item(s or a service, on an as-required basis. Properly prepared, such an arrangement sets limit on the period of time it is valid and the maximum amount of money which may be spent at one time, or within a specified period, and specifically identifies those persons authorized to order and accept goods. The purchase order may also contain other terms and conditions, such as the discount of the specific price list that applies to purchases made under the agreement and what items and services are included (or excluded) under the agreement.

“Budget” means the budget or portion of the budget approved by Council.

“CAO” Is the Chief Administrative Officer.

“CFO” Is the General Manager of Corporate and Enterprise Services/CFO.

“Certificate of Clearance” from the Workplace Safety and Insurance Board means a certificate issued by an authorized official of the Workplace Safety and Insurance Board certifying that the Board waives its rights under subsection 9(3) of the *Workers’ Compensation Act*, R.S.O. 1990, Chapter W.11.

“CETA” means the Canada-European Union Comprehensive Economic and Trade Agreement, a bilateral agreement between Canada and the EU. The agreement covers virtually all sectors and aspects of Canada-EU trade in order to eliminate or reduce barriers. Also referred to as the Comprehensive Economic and Trade Agreement.

“CFTA” mean the Canadian Free Trade Agreement which enhances the flow of goods and services, investment and labour mobility, eliminates technical barriers to trade, greatly expands procurement coverage, and promotes regulatory cooperation within Canada.

“Change Order” A document used to alter the original agreement of a project signed by the Contractor and Owner (City)

“City” means the Corporation of the City of Welland.

“City Engineer” means Director, Infrastructure Services.

“City Treasurer” means the Treasurer of the Corporation or his or her designate.

“Clerk” means the Clerk of the Corporation or his or her designate.

“Client Department” is the City Department who has budgeted for the Good and/or Service required.

“Collusion” is a secret agreement or cooperation between two or more parties to accomplish a fraudulent, deceitful, or unlawful purpose.

“Collusive Bidding” is an unethical and illegal practice in which suppliers act in a collusion to “fix” their bids in a collectively advantageous manner.

“Competitive” is a process where more than one (1) bidder participates in the solicitation or offer in the opportunity to submit a bid.

“Compliant Bid” means the response to a Bid Solicitation conforms to the mandatory requirements contained in a Bid Solicitation.

“Conflict of Interest”

- a) is defined as a situation or circumstance, real or perceived that could give a Bidder or potential Bidder an unfair advantage during a competitive procurement process or compromise the ability of a Contractor to perform its obligations under their contract.
- b) is a situation when a City employee or a member of their family has a direct financial interest in a Contract or proposed contract with the City, and where the City employee could directly influence the decision made in the course of performing their job duties, and also where the could indirectly influence the decision through exerting personal influence over the decision-makers.

“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, seismic investigation, soil 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 design or architectural work, but

does not include professional services related to the construction contract unless they are included in the specifications for the procurement.

“Consulting Service” are services of an advisory nature required to support policy development, decision-making, administration, or management of a business or public entity or organizations who possess specific knowledge, technical skills or unique abilities not usually available in-house or from within the City.

“Consultant” means a person or firm, who by virtue of a particular expertise, is hired by the Corporation to undertake a specific task or assignment that may include designing specifications and preparing plans or programs.

“Contract” means any formal legal agreement for supply of goods, services, equipment or construction.

“Contractor” is any legal entity to which a Contract is awarded.

“Corporation” means the Corporation of the City of Welland.

“Council” is the City Council of the Corporation of the City of Welland.

“Delegation of Authority” is when a person in authority appoints some or all of their authority to other City employee(s).

“Department” means any department within the Corporation of the City of Welland.

“Designate” means a person authorized by the CAO, or Director to act on his/her behalf, for the purposes of this policy.

“Disposal” means the selling, trading, assignment and/or scrapping of Surplus Assets.

“Director” is any Director / Executive Director or designate of a Department within the City of Welland who oversees multiple Divisions.

“Division” means a division within a department.

“Emergency Purchase” means purchases made during an event in the City, which in the opinion of the CAO, Director or their authorized designate, requires an immediate purchase in order to prevent a serious delay in acquiring needed Goods and/or Services, which delay reasonably could result in a danger to life, excessive damage to property and/or the environment, or the suspension of the provision of an essential service.

“Fair Market Value” means the price that would be agreed to in an open and unrestricted market between knowledgeable and willing parties dealing at arms-length where fully informed and not under any compulsion to transact.

“Family Member” is a spouse (including common law spouse), parent, grandparent, sibling, child, grandchild, niece, nephew, uncle, aunt or cousin of the City employee.

“Financing Lease Policy” means policy #FIN-004-0001, By-law 2003-29 passed by Council under the authority of the *Municipal Act, 2001*, S.O. c.25, as amended by Ontario Regulation 46/94 amended to Ontario Regulation 401/02.

“Formal Bid Process” and RFX process whereby the bid is opened and recorded results are shared with the office of the City Clerk or designate and at least one employee from the Requesting Division.

“Goods” means moveable property including,

- a) the cost of installing, operating, maintaining or manufacturing such moveable property.
- b) raw materials, products, equipment and other physical objects of every kind and description.

“Informal Quotations” are reserved for purchases of a value less than \$100,000. Informal quotations are used to reduce the paperwork and time formal quotations normally require.

“Irrevocable Standby Letter of Credit” means an irrevocable letter on the City’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 fulfill all the covenants, undertakings, terms, conditions and agreements contained in a contract.

“Labour and Material Payment Security” is a security which guarantees that the contractor will pay certain subcontractors, labour and material bills associated with the contracted project; it may come in the form of Canadian currency, certified cheque, money order, bank draft, the City’s standard irrevocable standby letter of credit or a labour and material payment bond.

“Labour Payment Bond” means a bond issued on behalf of the supplier, by a surety company, to ensure that the contractor will pay his or her employees and thereby protects the Corporation against items which might be granted to employees should the contractor not make proper payments.

“Lease” and agreement by which one party (Lessee) leases from a second party (Lessor) equipment or space for a specified period of time at a predetermined cost.

“Litigation (Pending)” is whereby a potential claimant has demonstrated or manifested and intention to assert a possible claim.

“Lobbying” means the advocacy of an interest that is affected, actually or potentially by the Bid Solicitation process or individuals involved in the Bid Solicitation process including seeking to influence the outcome of the Bid Solicitation process or subsequent Award.

“Lowest Compliant Bid” means the Bid that would provide the City with the desired Goods, Services or Construction at the lowest Total Acquisition Cost, meets all the specifications and contains no irregularities requiring automatic rejection.

“Manager” means an employee of the Corporation holding the position of Manager.

“Material Payment Bond” means a bond issued on behalf of the supplier, by a surety company, to ensure that the contractor will pay his or her suppliers and thereby protects the Corporation against items which might be granted to suppliers should the contractor not make proper payments.

“Mayor” means the elected Mayor of the Corporation, or the person duly appointed to act in place of the Mayor.

“Negotiation” means a purchasing method whereby the Corporation may negotiate directly with one or more Suppliers with the intent to award a Contract or Extend an existing Contract.

“Non-Compliant” means the response to a Bid Solicitation which does not conform to the mandatory requirements in the Bid Solicitation.

“Payment Card / P-Card” is a credit card used by authorized employees to pay for goods and or services in accordance with the City’s payment card policy.

“Performance Bond” means a bond issued on behalf of the supplier, by a surety company, executed in connection with a contract and which secures the performance and fulfillment of the undertakings, covenants, terms, conditions and agreements contained in the contracts.

“Performance of Contract Security” is a security which protects the City from financial loss should a contractor fail to perform the contract in accordance with the terms and conditions of the contract documents; it may come in the form of Canadian currency, certified cheque, money order, bank draft, the City’s standard irrevocable standby letter of credit or a performance bond.

“Procedures” means internal instructions or guidelines to departments or divisions, approved by the CAO.

“Procurement” means:

- a) purchasing, renting, leasing, or otherwise acquiring any goods and or services or construction; includes all functions that pertain to the acquisition, including the description of requirements, preparation, solicitation, selection and Award of the Contract and all phases of Contract Administration.
- b) the combined functions of purchasing, inventory control, transportation, receiving, inspection, storekeeping, salvage and disposal operations.

“Procurement Services / Purchasing Services” means the section of the Finance Department that is responsible for the Procurement of Goods and/or Services on behalf of the City.

“Professional Services” (not otherwise exempt under Schedule A) means those services requiring the skills of professionals for a defined service requirement including but not limited to,

- (i) Architects, engineers, designers, surveyors, geoscientists, project managers, financial consultants, auditors, accountants, and medical professionals such as doctors, dentists and lawyers;
- (ii) Firms or individuals having specialized competence in environmental, planning or similar disciplines; and,
- (iii) Software consultants and any other persons providing similar services.

“Proponent” is a legal entity that submits a Proposal.

“Proposal” is a submission received in response to a Request for Proposal, acceptance of which may be subject to further negotiations.

“Purchase Order” means the legal document that is the Corporation’s commitment to the supplier for the value of the goods or services ordered. It is also the supplier’s authority to ship and charge for the goods specified on the order.

“Purchase Requisition” means an electronically transmitted request on a requisition form, which is sent to the Department Director or designate to procure goods or services.

“Purchasing Agent” means purchasing staff that assists in selecting and purchasing goods in accordance with this policy.

“Purchasing Services Division” means the Corporation of the City of Welland Purchasing Department

“Relationship” means a parent, spouse, child, brother or sister.

“Request for Expression of Interest (RFEI)” is a focused market research tool used to determine vendor interest in a proposed procurement. It may be issued simultaneously with a Request for Qualifications when the proposed procurement is well defined and the purchaser has clear expectations for the procurement.

“Request for Information (RFI)” is used prior to issuing a tender call as a general market research tool to determine what products and services are available, scope out business requirements, and/or estimate project costs.

“Request for Pre-Qualification (RFPQ)” is a request for the submission of information from potential Bidders, that may include, but not limited to, experience, education, financial strength, and capabilities. Typically a RFPQ is a pre-cursor to a Tender and multiple bidders are pre-qualified.

“Request for Proposal (RFP)” means an offer to supply goods or services on which end results are outlined but no detailed specifications given to the bidders as to the goods or how the work is to be performed; the goal is to obtain a unique proposal designed to meet broad outcomes to a complex problem or need for which there is no clear or single solution.

“Request for Quotation (RFQ)” means a request for prices on specific goods or services obtained formally through a Call for Quotations or informally from selected sources, which are submitted orally, in writing, by email or transmitted by facsimile as determined by the Director, Manager or the Purchasing Services Division; the goal is the same as for the Request for Tender except bid solicitation is done primarily on an invitational basis from a pre-determined bidder’s list but may be supplemented with public advertising of the procurement opportunity.

“Request for Tender (RFT)” means an offer in writing by way of a Call for Tender to execute certain specified work or to supply certain specified goods or services at a specific rate in response to the information contained in the Call for Tender; the goal is to obtain competitive bids based on precisely defined requirements for which a clear or single solution exists and to accept the lowest bid meeting the requirements specified in the competition; all competitions require public advertisement.

“Scope of Work” is the work that has been described in a bid solicitation that must be done to deliver the Goods and/or Services with the specified features and functions within the time, quality and price specified.

“Services” includes all professional and consulting services, all services in relation to real property or personal property including without limiting the foregoing the delivery, installation, construction, maintenance, repair, restoration, demolition or removal of personal property and real property and all other services of any nature and kind save and except only services to be delivered by an officer or employee of the City in accordance with terms of employment.

“Single Source” is the procurement of a good or service from a particular vendor rather than through solicitation of bids from other vendors who can also provide the same item.

“Social Procurement” is the achievement of strategic social, economic and workforce development goals using an organization’s process of purchasing goods and services.

“Sole Source” is the procurement of a good or service that is unique to a particular vendor and cannot be obtained from another source.

“Sustainability” means the ability to be maintained at a certain rate or level, and avoidance of the depletion of natural resources in order to maintain an ecological balance.

“Tender” is a submission received in response to a Request for Tender.

“Total Acquisition Cost” means an evaluation of quality and service in the assessment of a Bid and the sum of all costs including purchase price, all taxes, warranties, local service costs, life cycle costs, time of completion or delivery, inventory carrying costs, operating and disposal costs for determining the Lowest Compliant Bid.

“Value for Money / Best Value” A value-for-money approach aims to deliver Goods and / or Services with a lower total life-cycle cost while maintaining a high standard.

“Vendor” is a supplier / seller of goods and / or services.

“Vendor of Record” (VOR) A list of pre-qualified vendors as a result from a procurement process that meets or exceeds the requirements detailed within the document. A VOR allows one or more vendors to offer specific goods or services and is valid for an indicated time period, with defined terms, conditions and pricing.