

BRANTFORD POWER INC. POLICY 1 -- PURCHASING



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CHAPTER 1 **INTERPRETATION**

1.01 Statement of Principle

In acquiring goods and services for Brantford Power Inc. ("BPI"), BPI requires processes to ensure that operating departments will receive the goods and services they require in sufficient quality and quantity for their needs, acquired with integrity, fairness, equality, and transparency through efficient means that produce prudently incurred costs for the ratepayer.

BPI has determined as a matter of policy that the prudently incurred costs for the ratepayer is most often received when competitive acquisition processes are used. For that reason, competitive acquisition will be the general rule and will be departed from only in accordance with specific exceptions set forth in this policy.

1.02 Goals of the Policy

The goals of the Purchasing Policy are as follows:

- (a) To ensure accountability and transparency while protecting the financial best interest of BPI;
- (b) To encourage competitive bidding for the acquisition and disposal of goods and services where practicable;
- (c) To ensure fair treatment and respectful business practice to all bidders;
- (d) To obtain efficiencies where possible by maximizing buying power through economies of scale and participating in cooperative buying groups.

1.03 Application of Policy

- (a) All BPI departments and officials shall acquire goods and services in accordance with this Policy and not otherwise. No member of BPI's Board or any BPI employee shall have the right to acquire goods and services or to otherwise bind BPI in respect of the acquisition of goods and services, except in accordance with this Policy.
- (b) This Policy shall apply to the acquisition of all goods and services by BPI, except for the exemptions set forth in Schedule 1. The acquisition of the goods and services listed and described in Schedule 1 shall not be subject to the requirements of this Policy, but may be subject to other policies or requirements enacted from time to time by BPI's Board of Directors.

1.04 Incorporation of Policy into Solicitations

The requirements of this Policy shall be incorporated by reference into all solicitations for goods and services acquired by the BPI.

1.05 Delegation

Where authority is given to the BPI CEO, any Director, or any other position, pursuant to this policy, such authority may be delegated to subordinate staff on such terms as the BPI CEO, applicable Director or other position, as the case may be, shall consider reasonable in the circumstances.

1.06 Definitions

In this Policy,

“Affiliates” means affiliates within the meaning of the Business Corporations Act (Ontario).

“Acquisition,” “Procurement,” “Buy,” and “Purchase” also include obtaining the use of goods and/or services by lease, rental, and other temporary methods.

“Award” means authorization to proceed with the purchase of goods and/or services from a chosen vendor.

“Department Staff” or “Operating Department Staff” means staff of any BPI department for which goods and services are being acquired.

“Emergency” means an urgent situation that could result in serious harm to persons, substantial damage to property, or substantial interference with BPI operations. An emergency shall only be deemed to exist if:

- (a) The municipal Council determines that an emergency exists; or,
- (b) BPI CEO determines that an emergency exists; or
- (c) The applicable Director determines that an emergency exists.

“Engineering Works” means agreements with contractors under which the contractor shall perform construction or reconstruction of roads, sewers, water works, flood control works, and bridges.

“Estimated Value of Goods and Services” means the estimated amount (excluding taxes) for budget or planning purposes in acquiring particular goods and services, which amount may be higher, lower or equal to the actual cost of the goods and services when ultimately acquired. For greater certainty, when multi-year contracts are awarded for the acquisition of goods and services, the estimated value of the goods and services for such multi-year contracts is the estimated amount to be paid for the goods and services over the entire contract, and is not limited to the amount which may be payable in any particular budget year.

“Goods” means all manner of personal property, goods, equipment, things, and rights.

“High Value” means high value within the meaning of Table One.

“Human Resources Staff” means those persons engaged by the service provider to provide human resources services set out in the shared services agreement between BPI and the City of Brantford

“Informal Procurement” means procurement in which there are minimal procedural requirements, and without limiting the generality of the foregoing, includes procurement in which there is no requirement to obtain competitive pricing.

“Low Value” means low value within the meaning of Table One.

“Lowest overall cost” means the cost of acquiring goods and services after the evaluation factors set forth in the Solicitation are taken into account. Such factors may include price, quality, life cycle costs and all other terms, conditions, and circumstances of the acquisition.

“Lowest Responsive Submission” means a submission in response to a solicitation which includes all required components and which shows the lowest overall cost when all evaluation factors contained in the solicitation are taken into account.

“Medium Value” means medium value within the meaning of Table One.

“Non-competitive Acquisition” means procurement which does not include any competitive process, and without limiting the generality of the foregoing, includes procurement through negotiation, sole sourcing, and single sourcing.

“Option to Buy” means the right to acquire goods upon stated terms, most often but not exclusively encountered in the context of rental, lease (but not a financing lease), or hire-purchase agreements. The exercise of an option to extend a contract for the acquisition of goods and services shall also be deemed to be the exercise of an option to buy, but only if the option to extend formed part of the original contract as awarded.

“Pre-approved Solicitation” means any solicitation implementing a project, acquisition of goods and services, or other undertaking which has been classified as a pre-approved solicitation, project, acquisition of goods and services, or other undertaking by BPI’s Board of Directors through Resolution following a report from the applicable department describing the proposed solicitation, project, acquisition of goods and services or other undertaking. The Purchasing Officer shall determine in his or her discretion whether or not any proposed solicitation matches the identification and description in the applicable Board Resolution.

“Prequalification Process” means a solicitation process in which detailed written submissions describing attributes such as experience, financial strength, education, or background, or other pertinent considerations are solicited in a Request for Prequalification.

“Procedures” means procedures developed by the Purchasing Officer pursuant to Articles 2.08(c) (*Best Practices for the Disposal of Goods and Equipment*), 3.04(a) (*Best Purchasing and Acquisition Practices*), 5.03(a) (*Best Purchasing and Acquisition Practices for the Solicitation of Consulting Services*), and 6.03(a) (*Best Practices for the Documentation of past Failures of Vendors to provide appropriate Performance*).

“Purchasing Officer” means the person so designated by the service provider as set out in the shared services agreement between BPI and the City of Brantford;

“Purchasing Department Staff” means those persons engaged by the service provider to provide purchasing services as set out under the shared services agreement between BPI and the City of Brantford

“Pursuing litigation” means actually commencing and/or continuing a judicial proceeding.

“Responsive” means, when applied to a submission, that the submission contains each and every element required by the solicitation for the submission, and otherwise fully complies with the requirements of the solicitation.

“Request for Expressions of Interest” means a general market research tool to determine vendor interest in a proposed procurement. It is used prior to issuing another solicitation and is not intended to result in the award of a contract.

“Request for Proposals” means a competitive procurement process for obtaining unique proposals designed to meet terms of reference.

“Request for Quotations” means a competitive procurement process for obtaining bids based on defined requirements for which fixed or calculated price will be paid.

“Request for Tenders” means a competitive procurement process for obtaining defined requirements for which a clear or single solution exists.

“Services” means any and all services, and includes construction services.

“Shared Services” being services that are shared between the City of Brantford and BPI and set out in the shared services agreement between BPI and the City of Brantford

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

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

“Solicitation” means any and all forms of solicitation for goods and services by BPI, including but not limited to requests for tenders, requests for quotations, requests for proposals, requests for prequalification, requests for information, and requests for expressions of interest.

“Solicitor” means that person or those persons engaged by the service provider to provide legal services as set out in the shared services agreement between BPI and the City of Brantford

“Submission” means any and all offers, bids, or other responses to a solicitation by BPI.

“Surplus” means goods belonging to BPI of Brantford which, through obsolescence or other causes, no longer serve any useful purpose to the operating department of BPI in which the goods were used.

“Table One” means the Table One entitled “Methods through which Goods and Services may be Acquired” within Section 3.01 of this Policy.

"Threatening litigation" means transmitting a written threat to commence a judicial proceeding

“Two Envelope Method” means a procurement process in which a submission is submitted into two separate envelopes. The technical and qualitative information are submitted in the first envelope and the price information is provided in the second envelope. The second envelope is opened only if the first envelope shows the bidder to be qualified.

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

“Working Days” means days on which the main offices of BPI are open for business.

"Unsolicited Proposal" means an offer to supply goods or services to BPI that has not been preceded by the issuance of a solicitation by BPI.

CHAPTER 2

GENERAL MATTERS

2.01 No Local Preference

- (a) Except as set forth in (b) and (c), no local preference shall be shown or taken into account in acquiring goods and services on behalf of BPI.
- (b) Where there are two responses to a solicitation for goods or services, which after evaluation appear equal in all respects, a local preference may be shown for the sole purpose of breaking the tie. In such circumstances, the “local” Vendor shall be deemed to be the Vendor whose business premises shall have the nearest geographical proximity to the point of delivery of the goods and services. For purposes of the foregoing, “business premises” mean the business premises from which the goods and services shall be supplied.
- (c) Despite (a), a local preference may be shown when the intrinsic nature of the acquisition necessitates a local preference

2.02 Co-operative Purchasing Arrangements

- (a) The Purchasing Officer, in consultation with BPI staff, may make cooperative purchasing arrangements with other local distribution companies, consortia of local distribution companies or similar utility providers or other public cooperatives or consortia under which particular varieties of goods and services may be acquired by BPI in conjunction with such other local distribution companies, consortia of local distribution companies or similar utility providers or other public cooperatives or consortia at a lower overall cost than they might otherwise achieve were they to proceed independently.
- (b) Because the cooperative arrangements may require the cooperation of multiple organizations with differing purchasing procedures, deviations from the requirements of this Policy are permitted in such cooperative arrangements provided that the principles set forth in Chapter 1 are fully respected.
- (c) Where cooperative purchasing arrangements have been effected cooperative purchasing arrangements in accordance with this section, operating departments shall acquire the particular varieties of goods and services in accordance with such cooperative arrangements and not otherwise. The Purchasing Officer shall be permitted to authorize exceptions from the foregoing in extenuating circumstances.

2.03 General Supply Contracts

- (a) Where the Purchasing Officer in consultation with the BPI CEO or his/her designate perceives continuing common needs for particular goods and services for shared services, he or she may issue solicitations for the general supply of the needs of all departments of the municipality and BPI for such particular goods and services.

- (b) Where a contract for the general supply of the needs of shared services for particular goods and services has been awarded in accordance with (a) above, operating departments shall acquire the particular varieties of goods and services in accordance with such cooperative arrangements and not otherwise. The Purchasing Officer shall be permitted to authorize exceptions from the foregoing in extenuating circumstances.

2.04 General Ability of the Board of Directors to overrule Procedural Requirements

- (a) The BPI Board of Directors may overrule any requirement of this policy on a transaction-specific basis through resolution.
- (b) The elimination of any requirement of this policy on a general or continuing basis must be approved through Board resolution, which amends this Policy.

2.05 Forms, Contracts and Documents

- (a) The Purchasing Officer may develop or adopt standard forms of solicitations and other documents to be used in conjunction with the acquisition of goods and services for BPI.
- (b) Documents used pursuant to (a) shall have been approved by the Solicitor.
- (c) Where the Purchasing Officer has developed a standard form in accordance with (a) above, operating departments shall acquire the particular varieties of goods and services in accordance with standard forms and not otherwise, provided that the Purchasing Officer may authorize or draft minor variations therefrom as necessary.

2.06 Execution of Contracts and Documents

- (a) The execution of contracts and documents in connection with the acquisition of goods and services by BPI shall be in accordance with the requirements of BPI Policy 3 – Execution of Routine Documents
- (b) Employees are responsible for determining whether or not they have authority to execute documents on behalf of BPI in accordance with the foregoing.
- (c) Without limiting the generality of anything else contained in this policy or the seriousness of any other contravention of this Policy, it shall be a serious contravention of this Policy for any employee to execute a contract or other document in connection with a solicitation of goods or services if the execution of such contract or other document is not in accordance with the requirements of BPI Policy 3.

2.07 Disposal of Surplus Goods and Equipment

- (a) Except where otherwise required by the BPI Board of Directors for specific varieties of goods or equipment, surplus goods shall be disposed of by the Purchasing Officer in accordance with this Policy.
- (b) Surplus goods shall be disposed of by any one of the following methods, ranked in order of preference as follows:
 - (i) Given to another operating department within BPI ;
 - (ii) Traded in as part of a replacement purchase;
 - (iii) Sold by a competitive public offering process or auction;
 - (iv) Offered or donated to non-profit agencies; or
 - (v) Disposal of the goods by transportation to the landfill site, recycling site or other appropriate disposal facility.
- (c) The Purchasing Officer in consultation with BPI's Chief Financial Officer or his/her designate may make written procedures from time to time consistent with the requirements of this Policy to reflect best practices for the disposal of surplus goods.
- (d) Procedures enacted pursuant (c) shall have been approved by the Senior Leadership Team of BPI.
- (e) Where the Purchasing Officer has developed procedures in accordance with (c) above, operating departments shall follow such procedures.

2.08 Persons with Disabilities

In acquiring goods and services for BPI, staff shall consider and have regard to disability accessibility issues as they may reasonably pertain to such acquisitions of goods and services

- (a) Contracts for the acquisition of goods and services shall include the following elements:
 - (i) that the Vendor shall comply with the Accessibility Standards for Customer Service, O. Reg. 429/07 (Appendix A) ("Regulation"), under The Accessibility for Ontarians With Disabilities Act, 2005 (AODA);
 - (ii) that the Vendor shall ensure that its employees are trained on providing accessible customer services. Any training or training resources must conform to the legislated requirements under the Act; and
 - (iii) that the Vendor shall maintain records of the training, including dates when training was provided, the number of employees who received training and individual training records. Where requested by BPI, the person, business or organization shall provide written proof, as well as any documentation regarding training policies, practices and procedures, to BPI.

2.09 Review of this Policy

This Policy shall be reviewed every four years.

2.10 Green Procurement

In acquiring goods and services for BPI, staff shall consider whether it is feasible to incorporate environmental considerations into solicitations for goods and services. The Purchasing Officer shall keep apprised of best purchasing practices for responsible environmental procurement, and shall bring it to the attention of operating departments wherever the same are applicable.

2.11 Unsolicited Proposals

- (a) Unsolicited Proposals received by BPI shall be reviewed by the Purchasing Manager and the Director of the applicable department to determine if the proposal warrants consideration.
- (b) Any Unsolicited Proposal shall not be considered if:
 - (i) It resembles a current or upcoming competitive procurement that has or will be requested;
 - (ii) It requires substantial assistance from BPI to complete the proposal
 - (iii) The goods or services are readily available from other sources
 - (iv) It is not deemed by the Director to be of sufficient value to BPI.
- (c) Any Unsolicited Proposal warranting execution shall be either procured through a competitive bid process as per Table One or require Board of Directors approval to award as a single source or sole source purchase.
- (d) Where a competitive bid process is undertaken for the good or service, the person submitting the Unsolicited Proposal shall not be precluded from participating in the procurement process.

2.12 Dispute Resolution

In the event any vendor involved in a procurement process with BPI presents a dispute in regards to that process, the following dispute resolution process shall be followed:

- (a) The vendor indentifying the dispute shall be required to state the nature of the dispute in writing, giving full details and history of the events leading to the dispute claim, addressed to the Manager of Purchasing.
- (b) The award of any contract shall not be rescinded nor the progress of any project be delayed by a request for dispute resolution unless recommended by the BPI CEO or his/her designate involved in the procurement of the good or service and the Manager of Purchasing.
- (c) Upon receiving the dispute claim, a bid debriefing will take place with the Manager of Purchasing, the Purchasing staff member assigned to that procurement file and the BPI staff member involved in the procurement process and up to 2 representatives of the vendor. The Manager of Purchasing shall convene the meeting between the parties within fourteen (14) days of the receipt of the dispute claim. The debriefing session will be structured so as to provide assistance to the vendor to both understand the procurement process that occurred and to assist them in improving their future bids to BPI.

- (d) Should the debriefing session fail to satisfy the vendor, the vendor may request a further meeting with the BPI CEO or his/her designate and the Manager of Purchasing. This request must be addressed to the Manager of Purchasing and received in writing within fourteen (14) days of the meeting described in section b). The Manager of Purchasing shall convene the meeting between the parties.

- (e) In the event a resolution cannot be achieved and the vendor requests to further prosecute the dispute claim, the Manager of Purchasing shall request the vendor to pursue the matter through the Solicitor. The dispute claim shall then be handled by the Solicitor or his/her designate.

CHAPTER 3
METHODS THROUGH WHICH GOODS AND SERVICES MAY BE ACQUIRED

3.01 Summary of Methods

Goods and services shall be acquired by BPI in accordance with the methods set forth in the following Table One, and not otherwise.

Table One
METHODS THROUGH WHICH GOODS AND SERVICES MAY BE ACQUIRED

POLICY THRESHOLDS			
Estimated Value of Goods & Services Excl. Taxes	Low (< \$10,000)	Medium (\$10,000 and over but <\$250,000)	High (>\$250,000)
Permitted Method(s) of Acquisition	<ul style="list-style-type: none"> • Informal Procurement • May use any method • Competition not required 	<p>Level 1 – Less than \$50,000</p> <ul style="list-style-type: none"> • Must be at least 3 written quotations unless there are insufficient vendors. Public advertising not required. 	<ul style="list-style-type: none"> • Requests for Proposals • Request for Tenders/Quotations
		<p>Level 2 – Greater than \$50,000</p> <ul style="list-style-type: none"> • Requires a competitive process administered by Purchasing • Public advertising is required 	

3.02 Interpretation

The permitted methods of acquisition defined in Table One are minimum standards. Although Table One indicates that the allowed methods of acquisition shall become progressively more formal as the estimated value of goods and services increases, department staff may choose to use more formal methods of acquisition than are specified as minimum standards in the table. For instance, department staff may choose to use Requests for Proposals or Requests for Tenders for medium value acquisitions, despite the fact that Table One would authorize the same acquisition to occur through a Request for Quotations.

3.03 Inflation Adjustment to Figures and Limits

The dollar limits contained in Table One shall be adjusted as part of the review of this Policy pursuant to Section 2.10 to take account of the effect of inflation.

3.04 Procedures

- (a) The Purchasing Officer may make written procedures from time to time consistent with the requirements of this Policy to reflect best purchasing and acquisition practices. Without limiting the generality of the foregoing, such procedures shall include rules for issuance of solicitations, receipt of submissions, the creation and drafting of specifications for solicitations, advertising, deposit requirements, prequalification processes, breaking ties between identical submissions, calculating the Estimated Value of Goods and Services, minimum standards for performance security, and the opening procedures for solicitations.
- (b) Procedures enacted pursuant to (a) shall have been approved by the Senior Leadership Team of BPI.
- (c) Where the Purchasing Officer has developed procedures in accordance with (a) above, operating departments shall follow such procedures.

3.05 Special Provisions for Emergencies

- (a) When emergency conditions occur, the provisions of Table One shall be read in conjunction with this section and section 4.02(f).
- (b) Despite the requirement that Board of Directors approval shall first be obtained in certain situations set forth in Table One, it shall not be necessary to obtain Board of Directors approval where the acquisition of goods and services is required to meet an emergency.
- (c) Except for the adjustments made in accordance with (a) and Article 4.02(f), all other terms and requirements of this Policy shall continue to apply to the acquisition of goods and services in an emergency.
- (d) Whenever the provisions of this section or section 4.02(f) are applied in an emergency situation, a report to the Board of Directors shall be made by the BPI CEO or BPI Director as soon as practicable thereafter detailing the circumstances of the emergency, the details of the goods and services acquired in order to meet the emergency, and all other pertinent details.

3.06 Division of Procurement to Avoid Compliance with Policy

The procurement of goods and services shall not be separated or divided into multiple procurements where the purpose of such separation or division is to take advantage of the reduced formality in the acquisition of goods and service where the acquisition occurs at a lower estimated cost. Related procurements shall be combined wherever possible with a view to obtaining the lowest overall cost to the ratepayer.

3.07 Prequalification Processes

- (a) Except for the acquisition of consulting services in accordance with Chapter 5, it is the policy of BPI that prequalification processes are generally discouraged in the acquisition of goods and services.
- (b) Except for the acquisition of consulting services in accordance with Chapter 5 of this Policy, prequalification processes may only be used in any solicitation if the Purchasing Officer has concluded that their application is appropriate in the circumstances of the particular acquisition.
- (c) In generating specifications for any prequalification process, the Purchasing Officer shall ensure that any Request for Prequalification:
 - (i) Includes only reasonable requirements;
 - (ii) does not include any unnecessary condition or restriction which would prevent an appropriate level of competition in the solicitation; and,
 - (iii) does not disallow the participation of bidders or proponents who are capable of performing the work.
- (d) Nothing in (c) above shall prohibit the inclusion within any Request for Prequalification of a requirement which only permits a fixed number of candidates to advance to the next phase of a solicitation process if the Purchasing Officer concludes that such a requirement is necessary and advisable in the circumstances.

3.08 Authority of Department Staff

References within Table One or within the remainder of this policy to "Department Staff" or "Operating Departments" shall not be deemed to confer upon any staff member any jurisdiction or authority which that staff member would not otherwise have and, without limiting the generality of the foregoing, nothing in this policy shall diminish or reduce any reporting relationship or the authority of management to give direction to subordinate employees.

3.09 Prohibited Classes of Vendor

- (a) BPI shall not acquire goods and services from any of the following:
 - (i) Municipal Councillors and members of the Board of Directors of BPI's shareholder;
 - (ii) Members of the BPI Board of Directors;
 - (ii) Staff of BPI at or above the level of Director; or,
 - (iii) Corporations or partnerships in which the individuals in (i) or (ii) hold a "controlling interest". For purposes of the foregoing, "controlling" shall be interpreted and applied in the same manner that it is defined and applied in the Income Tax Act (Canada).

- (b) In any solicitations which occur by way of Request for Expressions of Interest, Request for Quotations, Request for Tender, or Request for Proposal, information shall be solicited which shall permit BPI to determine whether the prohibition in (a) will be contravened. The Purchasing Officer shall, unless he or she has actual notice to the contrary, be entitled to rely upon any certificate or affidavit so produced.

- (c) Nothing in (a) above shall prohibit the supply of the normal functions of the office or employment of BPI staff or members of the Board of Directors.

CHAPTER 4

NON-COMPETITIVE PROCUREMENT

4.01 General Rule

Unless permitted by a specific exception within this Policy, all acquisitions of goods and services made pursuant to this Policy shall include a competitive process.

4.02 Exceptions

In acquiring goods and services for BPI, non-competitive procurement processes may be used in the following circumstances:

- (a) For low-value informal procurements as set forth in Table One;
- (b) For procurements of goods and services where there is a statutory or market based monopoly; or in circumstances where in the Purchasing Officer has concluded that market conditions make it impractical to use competitive procurement processes;
- (c) For procurements of goods and services where the required item is covered by an exclusive right such as a patent, copyright or exclusive licence;
- (d) For procurements of goods and services when BPI is exercising an existing "option to buy" where such option to buy was obtained through a competitive process or pursuant to specific Board of Directors approval;
- (e) For procurements of goods and services when in the opinion of the Purchasing Officer it is important to acquire compatible goods or services and compatible goods or services are only available from a particular vendor;
- (f) For procurements of goods and services when the acquisition of the goods and services are necessary to respond to an emergency and there is insufficient time to use competitive procurement processes;
- (g) In any case where the Board of Directors has granted specific approval for the use of non-competitive procurement processes;
- (h) In any case where the Board of Directors has approved a specific standard for goods or services, and the approval of the standard necessarily implies that non-competitive procurement processes will be used;
- (i) In any case where elsewhere within this Policy the use of non-competitive procurement processes is expressly authorized.
- (j) In any case involving the acquisition of unique historical artifacts;

- (k) When no compliant submissions have been received in response to a competitive solicitation, and the Purchasing Officer has concluded that it would be impractical to issue a further competitive solicitation.
- (l) To permit a temporary extension of no more than three (3 months) of an existing contract that has expired or is about to expire to permit the uninterrupted supply of goods and services while a new solicitation is being prepared.

CHAPTER 5

ACQUISITION OF CONSULTING SERVICES

5.01 Considerations in the engagement of consulting services

While price is always an important consideration in any procurement, when consultants are being engaged by BPI I, price is very often secondary to considerations of the experience and qualifications of the proposed consultant examined in light of the requirements of the particular project or engagement for which the consultant is being retained.

5.02 Use of Two-Envelope Processes

- (a) When acquiring consulting services and the estimated cost is at the High Level of Value depicted in Table One, BPI shall employ the Two-Envelope Process and shall only open the envelope containing the prices of bidders if the other envelope has permitted the evaluation committee to determine that the bidder has the necessary technical and qualitative requirements to perform the consulting engagement.
- (b) The evaluation committee shall be composed of the Purchasing Officer and such other individuals as may be appointed thereto by the BPI CEO or BPI Director where applicable) responsible for the project. In addition to the other members of the committee appointed by the BPI CEO or BPI Director, the BPI CEO may also place himself or herself on the committee.
- (c) As an alternative to the Two-Envelope process when acquiring consulting services at the High Level of Value depicted in Table One, the Purchasing Officer may choose to engage in a preliminary prequalification process to select not less than three qualified bidders who shall be invited to make a submission in response to a formal Solicitation. In circumstances where such a choice has been made to proceed through a preliminary prequalification process, an evaluation committee composed exactly as set forth in (a) and (b) above shall be established to determine the list of qualified bidders who shall receive an invitation.
- (d) Solicitations for consulting services shall include evaluation criteria consistent with section 1.01 of this Policy to be used in the selection process.

5.03 Procedures

- (a) The Purchasing Officer may make written procedures from time to time consistent with the requirements of this Policy to reflect best purchasing and acquisition practices respecting the solicitation of consulting services.
- (b) Procedures enacted pursuant to (a) shall have been approved by the Senior Leadership Team of BPI.
- (c) Where the Purchasing Officer has developed procedures in accordance with (a) above, operating departments shall follow such procedures.

CHAPTER 6

SELECTION OF SUCCESSFUL VENDORS

6.01 General Rule

- (a) Unless permitted by a specific exception within this policy, whenever a competitive process is used to acquire goods and services for BPI, the vendor who has made the lowest responsive submission shall be awarded the contract to supply the goods and services to BPI.
- (b) The rule in (a) shall be read with necessary modifications when a solicitation includes a revenue component. In such circumstances, the vendor who has made the responsive submission, which has the best financial impact on BPI, shall be awarded the contract to supply the goods and services to BPI.
- (c) When possible, solicitations should include specific reference to those components of the definition of lowest overall cost, which pertain to the competition and shall be used in the analysis of submissions.

6.02 Exceptions

In acquiring goods and services for BPI, the general rule in section 6.01 shall not apply in the following circumstances:

- (a) When there has been a documented failure of the Vendor to provide appropriate performance in past procurements with BPI; and the Purchasing Officer gave notice to the Vendor at the time of the non-performance that the Vendor's default would be taken into account in future competitions involving the Vendor;
- (b) When factors other than price are specifically solicited by BPI, and after taking these other factors into account, BPI has determined that the contract to supply the goods and services should not be awarded to the lowest responsive bidder;
- (c) When considering proposals submitted in response to a request for proposals;
- (d) When there are litigious circumstances as set forth in Section 6.04; and,
- (e) In solicitations for consulting services as set forth in Chapter 5.

6.03 Procedures

- (a) The Purchasing Officer shall make written procedures from time to time consistent with the requirements of this Policy to reflect best practices for the documentation of past failures of Vendors to provide appropriate performance in past procurements.
- (b) Procedures enacted pursuant to (a) shall have been approved by the Senior Leadership Team of BPI.

- (c) Where the Purchasing Officer has developed procedures in accordance with (a), operating departments shall follow such procedures and shall cooperate with the Purchasing Officer in the documentation of such past failures.

6.04 Litigation with potential Vendors

- (a) It is a matter of great importance to BPI in the administration of contracts that BPI's relationship with vendors should be as productive, amicable, and harmonious as is reasonably possible.
- (b) When a potential vendor has responded to a solicitation from BPI for the supply of goods and services to BPI, and the potential vendor is:
 - (i) threatening litigation or pursuing litigation against BPI in relation to previous contracts awarded to that bidder by BPI; or,
 - (ii) a person against whom BPI is pursuing litigation,

BPI shall be entitled to reject the submission of the Vendor, despite the fact that its submission might otherwise have met the conditions, which would have made it successful.

- (c) All solicitations prepared by or on behalf of BPI shall implement and reflect the requirements of this section.

CHAPTER 7
PROCUREMENTS WHICH MUST BE AWARDED BY THE BOARD OF
DIRECTORS

7.01 General

The rules for determining whether or not it is the Board of Directors or staff that must award particular procurements and contracts are generally contained within Table One, as interpreted in conjunction with the definition of the term “pre-approved solicitation” in Section 1.05.

7.02 Contracts which must be awarded by the Board of Directors

Despite the contents of Table One or any other requirement of this Policy, the following contracts shall be awarded by the Board of Directors and not BPI Staff:

- (a) Contracts for the supply of goods and services which have a term of one year and a day, or greater, provided that the foregoing shall not apply to:
 - (i) a contract which includes a non-binding option under which BPI may obtain not more than four successive one-year extensions of the term;
 - (ii) a contract for which funding is to be paid from an account or accounts which have been approved as part of a multi-year budget, and the contract is within the limits of such multi-year budget, as approved;
 - (iii) a contract awarded following a solicitation for which the Board of Directors has made a specific exception pursuant to this subsection; or
 - (iv) a contract under which the total amount to be paid over the full term of the contract will not exceed Twenty-Five thousand dollars (\$25,000.00).
- (b) Contracts awarded pursuant to Section 3.05(b); and,
- (c) Such other specific contracts as the Board of Directors may from time to time specify by Resolution, provided that the addition on a general or continuing basis of any class or variety of contract which shall thereafter be awarded by the Board of Directors must be approved through a resolution which amends this Policy.

7.03 Information to be obtained

In any solicitations which occur by way of Request for Expressions of Interest, Request for Quotations, Request for Tender, or Request for Proposal, a certificate or affidavit shall be solicited verifying whether or not any of the items in Section 7.02 apply. The Purchasing Officer shall, unless he or she has actual notice to the contrary, be entitled to rely upon any certificate or affidavit so produced.

CHAPTER 8

UNFORSEEN AND CONTINGENT EVENTS

8.01 Introduction

- (a) The acquisition of goods and services is sometimes complicated by the happening of events and circumstances which are either entirely unforeseen or are foreseen with greater or lesser degrees of probability.
- (b) The purpose of this Chapter is to make provision for the treatment of some of the more common examples of the foregoing. It is not intended to provide an exhaustive description of all possibilities.

8.02 Insufficient Budget at time of award of solicitation

In the event that all submissions received in response to a solicitation exceed the funds available for the completion of the project, BPI may pursue the following options:

- (a) BPI may add funds to those already allocated to the project so that there are sufficient funds to enable BPI to select a submission;
- (b) All submissions may be rejected and BPI may cancel the solicitation and abandon the procurement of the good or service;
- (c) All submissions may be rejected and BPI may engage in a further solicitation, either with or without amendments from the preceding solicitation. Before proceeding to engage in a further solicitation which does not include any significant amendment from the preceding solicitation, the Purchasing Officer shall consider whether any unfair advantage will be obtained by any person by so proceeding, and the Purchasing Officer shall consult with the Solicitor with respect to same; or,
- (d) If the lowest submission is within 15% of the available funds (excluding HST), BPI may negotiate with the Vendor who submitted the lowest responsive submission in an attempt to achieve the acquisition of the goods and services at a price which fits within the available funds. BPI may proceed to the Vendor who submitted the next lowest responsive submission in the event that negotiations are unsuccessful, and so on until BPI is able to negotiate a price or BPI chooses to abandon the process and reject all submissions. For purposes of the foregoing, negotiation may include minor adjustments in the specifications of the goods and services to be acquired, and the minor adjustment of other obligations of the parties.

8.03 Additional costs encountered during completion of contract or project

- (a) Whenever any purchase of goods or services has been authorized pursuant to this Policy, the responsible operating department may authorize the disbursement of additional funds to complete the purchase of goods and services where unexpected contingencies have arisen for which no or insufficient provision has been made, provided that:

CHAPTER 9 **INTEGRITY**

9.01 Integrity

Without limiting the application of the confidentiality provisions of the Municipal Freedom of Information and Protection of Privacy Act or the requirements of policies governing staff conduct which the Board of Directors may from time to time establish, no employee shall share confidential information with any potential Vendor which would cause that potential Vendor to gain an unfair advantage or to suffer any disadvantage in a competitive process for the supply of goods and services to BPI.

CHAPTER 10 **ERRORS IN SUBMISSIONS**

10.01 Recognition of Issue

BPI recognizes that submissions presented in response to solicitations of BPI may from time to time contain errors, not all of which shall be fatal to the consideration of the submission. The purpose of this Chapter is to define the consequences of certain common errors in submissions which may be received by BPI.

10.02 Consequences of specific varieties of error

The following Table Two is a list of some errors or irregularities in the submission of a solicitation to BPI and the consequences associated with each such error or irregularity. Errors or irregularities which are capable of being corrected and have been corrected in accordance with Table Two shall not prevent a submission from being classified as “Responsive” for purposes of this policy. Table Two is not intended to provide an exhaustive description of all possibilities.

Table Two
ERRORS AND IRREGULARITIES IN SUBMISSIONS AND CONSEQUENCES
OF EACH ERROR OR IRREGULARITY

ERROR OR IRREGULARITY	CONSEQUENCE
Late submission.	Automatic rejection.
Bid security, assurance to bond or other required performance security not contained within Submission.	Automatic rejection.
Bid security, assurance to bond or other required performance security not in required amount or form.	Automatic rejection.
Bid security, assurance to bond or other required performance security is either unenforceable, or is not fully enforceable on its face. Includes the situation where a bid bond or agreement to bond is issued by a surety company which is not licensed in Ontario.	Automatic rejection.
Submission not written in ink or other non-erasable medium.	Automatic rejection.
Submission, bid security or assurance to bond is not originally signed but is a completed photocopy - i.e. Submission has only a photocopy of the Vendor's signature, not the original.	May provide original signed document within two business days of notification by BPI, but no change in Submission permitted.
Submission is qualified – i.e. contains a restriction or qualification where such restrictions or qualifications are not permitted by the Solicitation.	Automatic rejection.

<p>All required items not included in Submission, including but not limited to:</p> <ul style="list-style-type: none"> • missing signature on the Form of Tender/Proposal/Quotation; • missing Form of Tender/Proposal/Quotation pages or schedules; • missing form or other document where the Solicitation requires that information to be a mandatory requirement within the Submission. 	<p>Automatic rejection.</p>
<p>An unauthorized amendment to the Solicitation's Form of Tender/Proposal/Quotation - i.e. Form of Tender is not the exact reproduction of the form provided in the Solicitation or includes alterations not provided for in the Solicitation.</p>	<p>Automatic rejection.</p>
<p>Any addenda to Solicitation not acknowledged.</p>	<p>May provide acknowledgement within two business days of BPI's notification of the error, but no change in Submission is permitted.</p>
<p>Submission contains obvious clerical or mathematical errors.</p>	<p>May correct error within two business days of BPI's notification of the error, but no change in unit price or lump sum price in Submission is permitted.</p>
<p>Item shown as a "total" or sum inconsistent with figures added.</p>	<p>May correct error within two business days of BPI's notification of the error, but no change in unit price or lump sum price in Submission is permitted.</p>
<p>Alterations have been made to the Submission but have not been initialed to verify authenticity.</p>	<p>May correct error within two business days of BPI's notification of the error, but no change in the Submission is permitted.</p>
<p>Mistake in Submission not obvious on the face of the Submission.</p>	<p>No relief.</p>
<p>Failure to attend mandatory site meeting at the time specified in the Solicitation or failure to sign in as required in the Solicitation.</p>	<p>Automatic rejection.</p>

CHAPTER 11 **ENFORCEMENT**

11.01 Role of Purchasing Officer

- (a) The Purchasing Officer shall enforce compliance with this Policy.
- (b) In enforcing compliance with this Policy, the Purchasing Officer may report transgressions of this Policy directly to the Board of Directors, CEO or such other management staff of BPI who may seem appropriate to him or her in the circumstances.
- (c) It is the intention that in reporting transgressions pursuant to (b) above, the Purchasing Officer shall generally report to the next highest level in the management chain above the person who has committed the transgression, but the Purchasing Officer may report directly to a higher level if the consequences of the transgression appear especially significant to him or her.
- (d) If reporting transgressions to the BPI CEO or to the Board of Directors pursuant to the foregoing, the Purchasing Officer shall liaise with and seek direction from the Solicitor prior to so doing.

11.02 Independence of Purchasing Officer

- (a) In fulfilling his or her role in enforcing compliance with this Policy and subject to section 11.01(d) above, the Purchasing Officer shall be independent of management structure and any inappropriate administrative or political influences.
- (b) The Purchasing Officer shall otherwise be subject to usual management and administrative control and direction, including administrative control and direction regarding his or her administrative roles and responsibilities (such as the development of procedures) pursuant to this Policy.

11.03 Review Rights

For purposes of enforcement of this Policy, the Purchasing Officer shall have the right to examine any document or file in the possession of any operating department which pertains to the acquisition of goods or services by that department.

11.04 Training

As a proactive means of enforcing compliance with this Policy, the Purchasing Officer shall conduct training as required to teach the requirements of this Policy to the staff of BPI.

11.05 Discipline

Breaches of this Policy by employees may be subject to disciplinary action in accordance with principles and practices enforced by the Human Resources Department.

11.06 Accountability

Staff are accountable for the decisions and actions which they take pursuant to this Policy and in the administration of contracts which have been awarded pursuant to this policy.

SCHEDULE 1 **EXEMPTIONS**

In acquiring the following goods and services, operating departments shall not be required to follow the procedures and methods described in this Policy:

1. Transaction-specific exceptions approved by the Board of Directors

Transaction-specific exceptions approved by the Board of Directors from time to time through resolution, it being the intention that any new exceptions of general or continuing application will be approved by resolution as additions to this Schedule.

2. Training and Education

- (a) Conferences, conventions, workshops, courses and seminars
- (b) Magazines, subscriptions, books and periodicals,
- (c) Memberships
- (d) Staff development

3. Refundable Employee Expenses

- (a) Advances
- (b) Meal Allowances
- (c) Travel and Entertainment

4. Employer's General Expenses

- (a) Reimbursed Employee expenses
- (b) Payroll and honoraria remittances
- (c) Medical exams,
- (d) Government licence fees
- (e) Grants and levies payable to outside agencies
- (f) Grants pursuant to community improvement plans and other similar initiatives
- (g) Damage and insurance deductible claims
- (h) Petty cash replenishment
- (i) Tax remittances
- (j) Refunds/overpayments of taxes/fees
- (k) Payments pursuant to agreements approved by the Board of Directors
- (l) Realty taxes
- (m) Payment for employment
- (n) Bank charges and services payable to the Board-approved banker
- (o) Commodity Price Hedging Agreements if done in accordance with BPI policy affecting such agreements.
- (p) Debenture Payments;
- (q) Purchases of Investments where done pursuant to the approved investment and Financial Policies of BPI.
- (r) Temporary staffing agencies and services

5. Professional and Special Services

- (a) Special tax, accounting and audit services and advice from the Shareholder - approved auditor.
- (b) Outside Legal Services
- (c) Witness fees
- (d) Board honoraria
- (e) Real Estate Appraisals
- (f) Arbitration Fees
- (g) Counseling fees
- (h) Advertising
- (i) Entertainers for theatre or special events
- (j) Medical fees

6. Utilities

- (a) Water
- (b) Sewer
- (c) Natural Gas
- (d) Electricity
- (e) Postage
- (f) Television charges

7. Real Property Interests

- (a) All real estate transactions