



## **Corporate Policy**

### **Procurement Policy**

<b>Policy Category:</b>	<b>Financial Control</b>
<b>Policy Number:</b>	<b>F-011</b>
<b>Department:</b>	<b>CAO</b>
<b>Attachments:</b>	<b>N/A</b>
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<b>Related Documents/Legislation:</b>	<ul style="list-style-type: none"><li>- <b>Ontario Municipal Act</b></li><li>- <b>Canada Free Trade Agreement (CFTA)</b></li><li>- <b>Comprehensive Economic and Trade Agreement between Canada and the European Union (CETA)</b></li><li>- <b>Ontario Quebec Trade and Cooperation Agreement (OQTCA)</b></li><li>- <b>By-law 010-2018, Policies Established by the Chief Administrative Officer</b></li></ul>
<b>Approved by CAO:</b>	<b>December 18, 2018</b>
<b>By-Law No.</b>	<b>N/A</b>
	<b>Replaces By-law 121-2004, To Establish a Procurement Policy for the Corporation of the Town of Orangeville</b>

#### **1. Policy Statement**

The Town of Orangeville is committed:

- (1) To acquire and/or dispose of Goods and Services in an efficient and cost-effective manner having regard to the objectives of openness, fairness and transparency in procurement while ensuring the Town's operational requirements are always met;
- (2) To ensure compliance with the Trade Agreements and applicable laws;
- (3) To procure necessary Goods and/or Services with due regard to the preservation of the natural environment; and

- (4) To ensure awareness that all information distributed and collected with respect to the procurement process is subject to the *Municipal Freedom of Information and Protection of Privacy Act*, RSO, 1990 or any other applicable information or privacy Legislation.

## 2. Purpose

The purpose of this policy is to provide Town staff with the information required to ensure integrity and consistency in the Town's procurement activities.

## 3. Definitions

Words and phrases used in this Policy and related procedures have the following meanings, unless expressly stated otherwise:

**“Approval Authority”** means the authority to: (i) approve procurements; and (ii) approve contract awards and/or iii) sign contracts, including any changes to such procurements or contracts.

**“Bid”** means a response to a competitive Bid issued by the Town.

**“Bid Deposit”** means currencies, certified cheques, Bid bond issued by a surety company licensed to operate by the Government of Canada or the Province of Ontario or another form of negotiable instrument acceptable to the Town to compensate the Town if the successful Bidder does not enter into a contract.

**“Buying Group”** means a cooperative arrangement in which individual members administer the procurement function for specific contracts for the group, and more formal corporate arrangements in which the Buying Group administers procurement for group members. Buying groups may consist of a variety of entities, including any combination of procuring entities, private sector entities, or not-for-profit organizations.

**“Chief Administrative Officer”** or **“CAO”** means the Chief Administrative Officer for the Town of Orangeville or his/her designate.

**“Contract”** means a written agreement for the purchase of Goods, Services, equipment or construction and includes a Purchase Order.

**“Contract Manager”** has the meaning assigned in Part 19 (Contract Management).

**“Cooperative Procurement”** means the purchase of Goods or Services as part of a Buying Group.

**“Council”** means the Council of the Town of Orangeville.

**“Department”** or **“Originating Department”** means the Town department initiating the acquisition of the Goods and/or Services.

**“Department Head”** means an employee of The Corporation of the Town of Orangeville in charge of a Department (General Manager, Corporate Services; General Manager, Infrastructure Services; General Manager, Community Services; or as may be determined by the CAO from time to time) or his/her designate.

**“Department Signing List”** has the meaning assigned in Part 2 (Delegation of Approval Authority)

**“Direct Purchase”** means acquiring a good or service directly from a Supplier without a competitive process.

**“Dollar Value”** has the meaning assigned in Part 3 (Determining the Dollar Value of a Procurement).

**“Emergency”** has the meaning assigned in Part 7 (Sole Source Procurements/Direct Purchase).

**“Excluded Contract”** means a Contract that is not subject to the Trade Agreements.

**“Formal Request for Quotations”** has the meaning assigned in Part 6.3 (Formal Request for Quotations)

**“Goods”** includes supplies, equipment, materials, products, software, furniture, structures and fixtures to be delivered, installed or constructed.

**“High Value RFPQ”** has the meaning assigned in Part 6.7 (Prequalification of Vendors)

**“Highest Ranked Bid”** means the Bid with the highest rating meeting all the requirements of an RFP.

**“Informal Request For Quotations”** has the meaning assigned in Part 6.2 (Informal Request for Quotations).

**“Invitational Competitive Process”** means a general process where the Town acquires Goods or Services by inviting a select number of Suppliers to submit a Bid.

**“Legislation”** means all applicable laws, regulations, by-laws, policies and trade treaties/agreements.

**“Low Dollar Value Procurements”** has the meaning assigned in Part 6.1 (Low Dollar Value Procurements)

**“Lowest Compliant Bid”** means the Bid with the lowest price meeting all requirements of an RFX.

**“Open Competitive Process”** means a general process where the Town acquires Goods or Services by publicly advertising an invitation to Suppliers to submit a Bid.

**“Petty Cash”** means an accessible store of money kept by the Town for expenditure on Low Dollar Value items.

**“Policy”** means this procurement policy.

**“Posting Time”** has the meaning assigned in Part 10 (Publishing Tender Notices/Advertising Opportunities).

**“Purchase Order”** or **“PO”** means a written offer to procure Goods and/or Services or a written acceptance of an offer.

**“Purchasing Card”** means a credit card provided by the Town’s Finance Division and its use is bound by the provisions of the Policy.

**“Recurring Contracts”** has the meaning assigned in Part 3 (Determining the Dollar Value of a Procurement).

**“Request for Information”** or **“RFI”** means a non-binding process where information is requested from Vendors regarding their interest in, or the feasibility and availability of, specific Goods and/or Services in the marketplace and to determine if there are enough Vendors to justify a Request for Proposals or Request for Tenders.

**“Request for Prequalification”** or **“RFPQ”** means a Request for Information about Vendors to determine whether the Vendor has the capability to perform the contract requirements. The Request for Prequalification process is undertaken with a view to establishing a list of bidders eligible to Bid on future opportunities.

**“Request for Proposals”** or **“RFP”** means a request for Bids comprised of a technical and financial proposals that involves an evaluation of the elements in the technical proposal as well as prices.

**“Request for Quotations”** or **“RFQ”** means a request to a select class of Vendors for prices on specified Goods and/or Services and refers to a RFQ-I or RFQ-F as the context permits.

**“Request for Quotations – Informal”** or **“RFQ-I”** has the meaning assigned in Part 6.

**“Request of Quotations – Formal”** or **“RFQ-F”** has the meaning assigned in Part 6.

**“Request for Standing Offers”** or **“RFSO”** means a procurement document issued by the Town requesting pricing and details to provide certain Goods or Services on an as-required basis, during a particular period of time, at a predetermined price or discount, generally within a predefined dollar limit. There is no obligation on the part of the Town to access the Goods or Services.

**“Request for Tenders”** or **“RFT”** means a request for Bids comprised of proposed prices for Goods and/or Services from Vendors, where the Goods and/or Services are specified in detail in the RFT.

**“RFx”** means any process inviting potential Vendors to submit Bids or information to the Town.

**“Services”** means all Services, including Construction Services, unless otherwise specified.

**“Sole Source”** has the meaning assigned in Part 7 (Sole Source Procurements/Direct Purchase).

**“Specifications”** means the detailed description of, and written requirements and standards for, Goods and/or Services contained in a RFx to the extent known or available to the Department, and includes any drawings, designs and models.

**“Standard Town Template”** has the meaning assigned in Part 4 (Preparing the Procurement Documents).

**“Standing Arrangement”** has the meaning assigned in Part 6.6 (Request for Standing Offer)

**“Supplier”** or **“Vendor”** means a person who submits a response to a Town solicitation for Goods or Services.

**“Tender Opening”** has the meaning assigned in Part 6.4 (Request for Tenders)

**“Town”** or **“Corporation”** means the Corporation of the Town of Orangeville.

**“Trade Agreements”** means the Canadian Free Trade Agreement (CFTA), the Canadian and European Union Comprehensive Economic and Trade Agreement (CETA), and the Trade and Cooperation Agreement Between Ontario and Quebec (OQTCA), as applicable.

**“Vendor Performance Evaluation”** has the meaning assigned in Part 20.2 (Vendor Performance Evaluation).

#### **4. Scope**

This Policy applies to all purchases of Goods and Services by the Town of Orangeville except as otherwise expressly stated.

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## 5. Policy

### Part 1 Accountabilities

- (1) **General Responsibilities.** Anyone purchasing Goods and Services on behalf of the Town must comply with this Policy and related procedures.
- (2) **CAO Responsibilities and Authority.** The CAO is the officer responsible for this Policy. Only the CAO or Council may authorize exceptions to this Policy.
- (3) **Corporate Services Department's Responsibilities.** The General Manager of Corporate Services or their delegate shall assist Department Heads, as appropriate, in the administration and compliance with this policy and related procedures.
- (4) **Department Head Responsibilities.** Department Heads shall:
  - (a) Be accountable for, and shall oversee, all procurement and contract management activities within their service areas and ensure compliance with this policy and related procedures.
  - (b) Make required reports to the CAO or any other party regarding compliance with this policy and procedures.
  - (c) As necessary, delegate Approval Authority to appropriate staff while maintaining the accountability for their delegates' actions.
  - (d) Maintain procurement-related records for a minimum of three (3) years (*OQTCA, CETA*) and, if required, for a longer period in accordance with the Town's Record Retention Policy from the date of contract award of procurement transactions.
- (5) **Prohibitions.** In carrying out procurement and contracting activities, Town employees must not:
  - (a) circumvent the requirements of this Policy including, but not limited to, biasing Specifications or scheduling events to prevent Vendors from meeting requirements, dividing purchases to avoid the requirements of the Policy by any method, which includes purchases made using Purchasing Cards;
  - (b) purchase any Goods and Services through Town Contracts for personal use by or on behalf of any member of Council, employees of the Town and their immediate families;

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- (c) Provide information to one Vendor to give that Vendor an advantage over other Vendors; (*CFTA, CETA, OQTCA*)
- (d) For procurements with a Dollar Value of \$100,000 or more, the following are strictly prohibited, unless otherwise approved by the CAO: (*CFTA*)
- Imposing a condition that, in order for a Vendor to participate in the procurement, the Vendor must have previously been awarded one or more contracts by the Town;
  - Requiring prior experience where it is not essential to the procurement;
  - Favouring Goods or Services of a Province or region;
  - Favouring Vendors of Goods or Services of a Province or region.
- (e) For procurements with a Dollar Value of \$365,000 or more, the following are strictly prohibited, unless otherwise approved by the CAO: (*CETA*)
- Favouring Goods or Services of Canada over those of the European Union;
  - Favouring Vendors of Canada over those of the European Union.
- (6) **Failure to Abide by the Policy.** Any person who fails to act in accordance with the provisions of the Policy, may be subject to appropriate disciplinary action up to and including, for employees, termination of employment.

## **Part 2 Delegation of Approval Authority**

- (1) **Funds Must be Available.** Any person delegated Approval Authority shall ensure that, prior to engaging in any procurement activity, an approved budget exists to cover the Dollar Value of the proposed procurement and resulting Contract. In the case of multi-year Contracts involving operating funds, the funding for future years of the Contract can reasonably be expected to be made available if the funding is included in the current year's approved operating budget and is based on a multi-year forecast, subject to confirmation from the Finance Division.
- (2) **Levels of Approval Authority.** Approvals must be obtained from the designated Approval Authority or their delegate by signing off on the Town's procurement strategy approval form for the following: (i) for the procurement, (ii) prior to releasing an RFX or publishing a tender notice (whichever is earlier); (iii) for the Contract, prior to releasing the proposed contract or PO to any Vendor; and (iv) for any amendment to, or assignment of, a Contract. Only the CAO has the authority to approve terminating a Contract for any reason (for convenience or for cause).
- (3) **Authorization to Purchase – Department Signing List.** The Finance Division of the Town will maintain a list that controls signature authorization for all major



financial transactions ("**Department Signing List**"). Only persons officially designated on the Department Signing List shall have the authority to approve a procurement of Goods and Services in conjunction within their spending limits.

- (4) **CAO and Department Head Delegation of Signing Authority.** The CAO or a Department Head designates the person(s) within the Department who are authorized to sign-off on financial transactions on accounts attributed to the Department.
- (5) **Procurement and Contracting Approvals Based on Dollar Value.** The procurement and contracting Approval Authority is based on the Dollar Value of the procurement or Contract as determined in accordance with Part 4 (Determining the Dollar Value). If, after a procurement process is completed and actual prices are known, it is determined that the Dollar Value of the Contract is elevated into the higher level of Approval Authority, then higher level Approval Authority shall be the Approval Authority for subsequent approvals and signatures.
- (6) **Delegation of Approval Authority.** Delegation of an approver's Approval Authority may be made as deemed appropriate by the person with Approval Authority and in accordance with this policy. Department Heads, at their discretion, may delegate approval authority to a Manager up to a maximum of \$100,000.00, and to a Supervisor for \$10,000.00 or less. Approval Authority that has been delegated may not be further sub-delegated. All delegations must be made in writing and signed by the Approval Authority. All copies of delegations must be forwarded to the Finance Division.
- (7) **CAO May Seek Council Approval.** The CAO may at any time, as deemed appropriate, report to Council and receive Council approval to release a procurement document or to award a Contract. Circumstances where Council approval may be sought include: (a) if there is an irregularity in the procurement; (b) the award of a contract, the value of the Bid or the aggregate cost of the project is in excess of the Council approved budget; (c) there is a legislative requirement for Council approval; or (d) other circumstances the CAO deems appropriate.
- (8) **Sole Source Recommendations where Dollar Value > \$100,000.** The Department Head and General Manager of Corporate Services must jointly submit a report to the CAO recommending a Sole Source procurement of \$100,000 or greater in accordance with Part 7 (Sole Source Procurements/Direct Purchase).
- (9) **Semi-Annual Report to CAO.** The General Manager of Corporate Services shall prepare a semi-annual status report to the CAO and Council on all RFX processes with Dollar Values of \$100,000 or more published or released during

the applicable period. The report shall list all Contracts awarded to Vendors since the previous status report.

- (10) **Summary Table of Approval Authority.** The following table indicates the Approval Authority for a procurement as well as the persons having the authority to approve and execute contracts and related documentation in accordance with this Policy.

### Summary Table of Approval Authority

Type of Procurement	Dollar Value (exclusive of taxes)	Approval Authority <sup>(1)</sup>		
		Procurement Strategy <sup>(2)</sup>	Final RFx Document <sup>(2), (3)</sup>	Contracts and related documentation – (approval and signature) <sup>(2)</sup>
<b>Competitive</b>				
Informal Request for Quotations	\$5,000 up to \$30,000	Department Head or Delegate	Department Head or Delegate	Department Head Or Delegate <b>See Note (4)</b>
Formal Request for Quotations	>\$30,000 up to \$100,000	Department Head or Delegate	Department Head or Delegate	Department Head Or Delegate <b>See Note (4)</b>
Public Tendering (RFPQ, RFP, RFT, RFSO)	>\$100,000 up to \$500,000	Department Head	Department Head	Department Head <b>See Note (4)</b>
Public Tendering (RFPQ, RFP, RFT, RFSO)	>\$500,000	Department Head	Department Head	CAO
<b>Direct Purchase (Type of Contract/Purchase)</b>				
Petty Cash/Purchasing Card Purchase Order Contract	Under \$5,000	N/A	N/A	Department Head or Delegate <b>(if applicable, see Note (5))</b>
Purchase Order and/or Contract	>\$5,000 up to \$100,000	Department Head	N/A	CAO <b>See Note (4)</b>
Purchase Order and/or Contract	>\$100,000	CAO <b>See note (6)</b>	N/A	CAO and Department Head <b>See Note (7)</b>

**Notes:**

- (1) Regardless of the Approval Authority set out in the summary table, the CAO and Council have ultimate Approval Authority and may either approve or sign documents in place of lower level staff, or override the decisions made by lower level Approval Authorities, if necessary.
- (2) The CAO and Department Heads may delegate this Approval Authority. To be valid, any delegation (permanent or temporary) must be documented in writing and communicated to the Finance Division. Approval Authorities may not be sub-delegated.
- (3) Competitive solicitation documents must be approved prior to public posting or release to bidders.
- (4) Contract must not be approved and signed by the same person that conducted the competitive solicitation process. If the delegation designates that same person to approve and sign the contract, then to resolve the conflict, the contract will be approved as follows:
  - (a) by the department head or delegate < \$30,000;
  - (b) by the department head and co-signed by a manager for procurement >\$30,000 up to \$100,000;
  - (c) by the department head and co-signed by another department head or the CAO for procurement >\$100,000 up to \$500,000; and
  - (d) by the CAO and co-signed by the department head for procurement >\$500,000.
- (5) Department Heads do not need to approve petty cash expenses or POs. The signing authority for such expenses shall be as set out in the Department Signing List.
- (6) The CAO may seek Council approval for any sole source procurement over \$100,000.
- (7) If Council's approval is requested for the procurement, Council may delegate signing authority.

**Part 3 Determining the Dollar Value of a Procurement**

The Dollar Value is the Town's estimated value (exclusive of taxes) of the requirement determined as set out in this Part. When estimating the Dollar Value of a procurement, the Town must:

- (1) Include the estimated maximum total value of the procurement over the entire duration of the Contract(s), including options and renewal periods, whether awarded to one or more Vendors. (*CFTA, CETA*)
- (2) Include all forms of remuneration including premiums, fees, commissions, and interest. For greater clarity, travel expenses and per diems are not a “form of remuneration” unless they are included in a fixed fee contract and not reimbursed separately. (*CFTA, CETA*)
- (3) Include associated costs of installation, operation, maintenance, or manufacture for Goods. (*CFTA, CETA*)
- (4) If an individual requirement for a procurement results in the award of more than one Contract, or in the award of Contracts in separate parts (“**Recurring Contracts**”) the calculation of the estimated maximum total value shall be based on: (a) the value of Recurring Contracts of the same type of Good or Service awarded during the preceding 12 months, adjusted to take into account anticipated changes in the quantity or value of the Good or Service being procured over the following 12 months; or (b) the estimated value of Recurring Contracts of the same type of Good or Service to be awarded during the 12 months following the initial contract award. (*CETA, OQTCA*)
- (5) In the case of procurement by lease, rental or hire purchase of a Good or Service, or procurement for which a total price is not specified, the basis for valuation shall be: (*CETA, OQTCA*)
  - (a) in the case of a fixed-term contract:
    - (i) if the term of the contract is 12 months or less, the total estimated maximum value for its duration; or
    - (ii) if the term of the contract exceeds 12 months, the total estimated maximum value, including any estimated residual value;
  - (b) if the contract is for an indefinite period, the estimated monthly instalment multiplied by 48; and
  - (c) if it is not certain whether the contract is to be a fixed-term contract, subparagraph (b) shall be used.

#### **Part 4 Preparing the Procurement Documents**

- (1) **Mandatory Use of Standard Town Templates.** Where the Town has implemented CAO-approved standard procurement templates and related documents (“**Standard Town Template**”), such templates must be used in Town contracting activities, including to prepare Town procurement documents. The use of other forms of solicitation documents, agreements, templates or

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documents is only permitted where approved in advance by the CAO or their delegate.

- (2) **No Changes to Standard Town Templates Unless Pre-Approved.** Staff are not authorized to make any changes to the Standard Town Templates unless pre-approved by the CAO. All proposed changes to the Standard Town Templates and related documents shall be reviewed and approved by the CAO or their delegate and/or the Town's solicitor as authorized by the CAO.
- (3) **Responsibility for Preparing RFX and Specifications.** The preparation of the entire RFX shall be the responsibility of the originating Department and must be approved by the Department Head or delegate prior to being used in a procurement process.
- (4) **Gathering Market Information/RFI.** Prior to developing Specifications for a Good or Service, market information about the particular Good or Service should, as needed, be gathered with a view to understanding the various Suppliers, Goods and Services available in the general marketplace and using this information to ensure the Specifications are appropriate and relevant to the existing market. Where results of informal Supplier or product research are insufficient, formal processes such as a Request for Information (RFI) or market sounding may be used if warranted, taking into consideration the time and effort required to conduct them. The purpose of the RFI is to request general information only from the market place, must not request pricing, be used to pre-qualify a potential Supplier and must not influence the chances of the participating Suppliers from becoming successful bidders in a subsequent procurement process.
- (5) **Specifications for Services.** When preparing Specifications for Services, the Specifications should establish clear terms of reference for the assignment. The terms should include objectives, background, scope, constraints, staff responsibilities, tangible deliverables, timing, progress reporting, approval requirements, and knowledge transfer requirements. Specifications may also include a service level agreement setting performance expectations, as appropriate.
- (6) **Specifications for Goods.** When preparing Specifications for Goods, the Specifications should, at minimum, provide a context for the intended use of the Goods, the expected performance and functional results and timing of deliveries. When preparing Specifications for Goods that are equipment or software, the Specifications should, at minimum, also include requirements for maintenance and support, including service levels and response times to address defects or failures.
- (7) **Applicable Rules.** The following requirements shall be followed in the preparation of Specifications:

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- (a) **Maximize Pool of Potential Bidders.** Departments must always seek to define Specifications in such a way as to maximize the pool of potential qualified bidders as this maximizes competition; Departments shall not prepare, adopt, or apply any technical Specification or prescribe any conformity assessment procedure with the purpose or the effect of creating unnecessary obstacles to trade. (*CFTA, CETA, OQTCA*)
- (b) **Specify performance and functional results rather than telling bidders how to achieve a result.** Specifications should set out the technical Specification in terms of performance and functional results, rather than specify how to achieve the result. (*CFTA, CETA, OQTCA*) For example, rather than specify “*must use wood and a hammer to punch in nails*”, specify “*the final product must be able to withstand 100lbs of static pressure*”.
- (c) **Do not duplicate or contradict Standard Town Templates or policies:** Specifications should not duplicate and must not contradict any terms and conditions in Standard Town Templates, including standard agreements, other templates, policies, guidelines or procedures.
- (d) **Avoid using trademarks or trade names.** Specifications should not require or refer to a trademark or trade name, patent, copyright, design, type, specific origin, producer, or Vendor. If technical Specifications are used in that manner, a procuring entity shall indicate that it will consider tenders of equivalent Goods or Services that demonstrably fulfil the requirement of the procurement by including words such as “or equivalent” in the tender documentation. (*CFTA, CETA, OQTCA*)
- (e) **Software.** Departments must have input and approval from the department responsible for the Town’s information systems and information technology assets where an intended procurement is connected to the domain and or requires support from the Information Technology Department. Approvals must be sought and obtained prior to the proposed procurements that relate to new software or asset purchases.
- (f) **Consultants/Vendors assisting with Specifications are prohibited from Bidding on resulting RFx.** Vendors or potential Vendors shall not be requested to expend time, money or effort on design or in developing Specifications and where they do, they will be precluded from Bidding on the resulting RFx. (*CFTA, CETA, OQTCA*)
- (g) **Ontarians with Disabilities Act (AODA).** When preparing the Specifications, the Originating Department shall be knowledgeable of the *Ontarians with Disabilities Act, 2001*, the *Accessibility for Ontarians with*

*Disabilities Act, 2005* and their regulations thereunder, as amended, re-enacted or replaced from time to time, and apply those requirements with respect to procuring Goods and/or Services and in the development of the Specifications.

- (h) **Environmental Impacts.** When preparing the Specifications, the Department shall consider the environmental impacts and costs associated with the procurement of Goods and Services and provide for the foregoing in their requirements wherever possible.
- (i) **Contractor Health and Safety Package.** All RFX's involving contractors who must perform work on Town of Orangeville property or in Town of Orangeville premises must include a requirement that the successful bidder(s) complete and sign the Town's Contractor Health and Safety Package as a condition of contract award.
- (j) **AODA Guidelines.** All RFX's involving contractors that will, or are likely to, come into contact with the public must require the contractor to respect the Town's Accessibility Standards for Customer Service guidelines.
- (k) **Bonding and Insurance.** Bonding and insurance shall be requested as appropriate and as required by the Town's procedures and templates.

## **Part 5 Determining the Procurement Strategy**

- (1) **Internal Sources of Supply.** When determining how to source a particular Good or Service (the "**Procurement Strategy**"), Town staff should first consider whether it is possible to access internal sources of supply. For example, staff should consider whether the Goods or Services can be accessed from existing inventories or performed by existing staff. If so, the Good or Service should be sourced internally.
- (2) **Existing Contracts.** If it is not possible to obtain the Good or Service using an internal source of supply, staff should consider whether there are already Contracts in place that can be used, such as standing offer agreements or other Contracts, and/or whether there are qualified Vendor lists in place for such Goods or Services. If so, these should be used to acquire the Good or Service.
- (3) **Externally Sourcing Goods / Services.** If there are no internal sources of supply or existing Contracts that can be used, a decision will need to be made on the appropriate Procurement Strategy to be used to obtain Goods or Services from Vendors.
- (4) **Sole Source or Competitive.** The appropriate Procurement Strategy will depend on whether the requirement falls under a Sole Source exemption or must be competitively tendered. If the requirement falls under a Sole Source exemption, a

contract negotiation may be required prior to execution of the Contract (see Part 7 for details).

- (5) **Competitive Process.** Except for exempted procurements listed in Schedule A (Exclusions from Policy Procurement Rules) or permitted sole source procurements listed in Part 7 (Sole Source Procurements / Direct Purchases), all procurements must be carried out using a process as set out in the table below, based on the Dollar Value of the procurement.

### Permitted Procurement Methods

Dollar Value	Type of Procurement	Permitted Procurement Methods
Under \$5,000	Direct Purchase	<ul style="list-style-type: none"> <li>• Purchasing Card</li> <li>• Purchase Order</li> <li>• Petty Cash</li> </ul> <p>Optional but not recommended:</p> <ul style="list-style-type: none"> <li>• RFQ-I, RFQ-F</li> <li>• RFPQ, RFP, RFT, RFSO</li> </ul>
Up to \$100,000	Invitational Competitive Process	<ul style="list-style-type: none"> <li>• RFQ-I (\$5,000-\$30,000) (recommended)</li> <li>• RFQ-F (\$30,000-\$100,000) (recommended)</li> </ul> <p>Optional but not recommended:</p> <ul style="list-style-type: none"> <li>• RFPQ, RFP, RFT, RFSO</li> </ul>
>\$100,000	Open Competitive Process	<ul style="list-style-type: none"> <li>• RFPQ, RFP, RFT, RFSO</li> <li>• RFQ may be used with Department Head and GM of Corporate Services or delegate approval</li> </ul>

- (6) In selecting the appropriate procurement method, regard should be had to using the most efficient and effective method permitted in consideration for the time required to prepare the procurement document as compared to the Dollar Value. For example, if a Dollar Value is less than \$5,000, while not strictly prohibited, it is generally not efficient to spend staff time preparing a detailed RFT; use of a purchasing card is more efficient and therefore more appropriate.

### Part 6 Selecting A Procurement Method

- (1) There are a variety of procurement methods that may be used for procuring Goods and Services for the Town:
1. Low Dollar Value Procurements (under \$5,000)
  2. Request for Quotations - Informal (up to \$30,000)
  3. Request for Quotations - Formal (>\$30,000 up to \$100,000)
  4. Request For Tenders (>\$100,000)
  5. Request For Proposals (>\$100,000)
  6. Request For Standing Offer (>\$100,000)



7. Request For Supplier Pre-Qualification (for selective tendering)
8. Sole Source / Direct Purchase
9. Cooperative Purchasing

- (2) Procurements with a Dollar Value of over \$100,000 shall be conducted in accordance with applicable Trade Agreement requirements.

#### **6.1 Low Dollar Value Procurements: Purchasing Card/PO/Petty Cash (under \$5,000)**

- (1) Procurements under \$5,000 shall be considered “**Low Dollar Value Procurements**”.
- (2) A Purchasing Card, Purchase Order, or Petty Cash may be used for Low Dollar Value Procurements.
- (3) A competitive process is not required for Low Dollar Value Procurements. However, comparing prices and obtaining competitive price quotes is considered a good business practice and should be done before selecting a Vendor, Good or Service, wherever possible.
- (4) All information on Low Dollar Value Procurements must be documented and maintained on file in accordance with the Town’s record retention policies.

#### **6.2 Informal Request for Quotations (RFQ-I) (\$5,000 up to \$30,000)**

- (1) **When to Use an RFQ-I.** For procurements \$5,000 up to \$30,000, the originating Department may use an informal Request for Quotations (“RFQ-I”) and conduct an Invitational Competitive Process by sending the RFQ-I to a select number of Vendors.
- (2) **How to Conduct an RFQ-I.** RFQ-I should be carried out in the following manner:
  - (a) RFQ-I can be prepared as an email setting out the requirements and seeking a quote by a specific date;
  - (b) A minimum of three (3) compliant Bids shall be requested, wherever possible, by any method of written communication, usually by email;
  - (c) Bids must be received, wherever possible, from a minimum of three (3) separate Vendors;
  - (d) all Vendors shall receive the same written information;
  - (e) the contract (Purchase Order) shall be awarded to the Lowest Compliant Bid; and

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- (f) all documentation obtained in receipt of quotes shall be kept in accordance with the Town's record retention policies and be available for review;
  - (g) Department Heads may waive the requirement for three (3) Bids but will only do so where the staff has demonstrated to the satisfaction of the Department Head that a minimum of three (3) Bids cannot be obtained;
  - (h) The Department Head or delegate shall issue a purchase order when it has received all approvals and documents required by the RFQ-I.
- (3) **Multi-Year RFQ-I and Special Approvals.** Any multi-year RFQ-I, including any Contract with option(s) to extend, must be reviewed and approved by the Department Head prior to the RFQ-I being issued. As well, all Bids received in response to a multi-year RFQ-I and any award recommendation shall also be reviewed by the Department Head to ensure compliance with the RFQ-I and this Part.
- (4) **Minimum three (3) Bids.** Staff is encouraged to seek more than the minimum three (3) written Bids to ensure a more competitive process.
- (5) **No Compliant Bids Received.** When no compliant Bids are received in response to a RFQ-I, bidders shall be notified and the RFQ-I shall be declared terminated. Where time permits, in the opinion of the Department Head, the RFQ-I shall be re-issued with the appropriate revisions. Where time does not permit, the originating Department may: (a) negotiate directly with bidders; or (b) communicate to each Vendor who previously submitted a Bid and identify the deficiencies that resulted in its Bid being deemed non-compliant and allow all Vendors who submitted a Bid the opportunity to submit a new Bid. The process to be used for negotiation is as indicated in the Town's RFx templates.
- (6) **Two or More Bids Are Equal.** If two or more Bids are received and are the Lowest Compliant Bids a draw will be held to determine the successful Vendor.
- (7) **One Compliant Bid Received.** Where only one Bid has been received, the Department Head may, if required and permitted by the terms of the RFQ-I, proceed to negotiate changes with the bidder, provided that such changes must not alter the general nature of the procurement described in the RFQ-I.
- (8) **Successful Bid Over Budget.** Where one or more Bids have been received and are in excess of budgeted funds, provided it is permitted by the terms of the RFQ-I, the Department Head may enter into negotiations with the Vendor submitting the Lowest Compliant Bid to lower their price, where it is agreed that the changes required to achieve an acceptable Bid will not change the general nature of the requirement described in the RFQ-I.

### 6.3 Formal Request for Quotations (RFQ-F) (\$30,000 up to \$100,000)

- (1) **When to Use an RFQ-F.** For procurements \$30,000 up to \$100,000, the originating Department may use a formal Request for Quotations (“RFQ-F”) and conduct an Invitational Competitive Process by sending the RFQ-F to a select number of Vendors. RFQ-F are similar to RFTs, however, generally speaking, an RFQ-F requires less work for bidders to respond to. The RFQ-F is a shorter document and seeks a price quote from the bidder rather than a formal written proposal.
- (2) **How to Conduct an RFQ-F.** RFQ-F should be carried out in the following manner:
  - (a) RFQ-F should be based on the Town’s Approved Standard RFx Template;
  - (b) a minimum of three (3) compliant Bids shall be invited, wherever possible by any method of written communication, usually by email;
  - (c) Bids must be received, wherever possible, from a minimum of three (3) separate Vendors;
  - (d) all Vendors shall receive the same written information;
  - (e) the contract (Purchase Order) shall be awarded to the Lowest Compliant Bid; and
  - (f) all documentation obtained in receipt of quotes shall be kept in accordance with the Town’s record retention policies and be available for review;
  - (g) Department Heads may waive the requirement for three (3) Bids but will only do so where the staff has demonstrated to the satisfaction of the Department Head that a minimum of three (3) Bids cannot be obtained.
- (3) **Multi-Year RFQ-F – Special Approvals.** Any multi-year Request for Quotations, including any Contract with option(s) to extend, must be reviewed and approved by the Department Head prior to the RFQ-F being issued. As well, all Bids received in response to a multi-year Request for Quotations and any award recommendation shall also be reviewed by the Department Head to ensure compliance with the RFQ-F and this Part.
- (4) **Minimum Three (3) Bids.** Staff is encouraged to seek more than the minimum three (3) written Bids to ensure a more competitive process.
- (5) **No Compliant Bids Received.** When no compliant Bids are received in response to a RFQ-F, bidders shall be notified and the RFQ-F shall be declared terminated. Where time permits, in the opinion of the Department Head, the

RFQ-F shall be re-issued with the appropriate revisions. Where time does not permit, the originating Department may: (a) negotiate directly with bidders; or (b) communicate to each Vendor who previously submitted a Bid and identify the deficiencies that resulted in its Bid being deemed non-compliant and allow all Vendors who submitted a Bid the opportunity to submit a new Bid.

- (6) **Two or More Bids Are Equal.** If two or more Bids are received and are the Lowest Compliant Bids, then a draw will be held to determine the successful Vendor.
- (7) **One Compliant Bid Received.** Where only one Bid has been received, the Department Head may, if required and permitted by the terms of the RFQ-F, proceed to negotiate changes with the bidder, provided that such changes must not alter the general nature of the procurement described in the RFQ-F.
- (8) **Successful Bid Over Budget.** Where one or more Bids have been received and are in excess of budgeted funds, provided it is permitted by the terms of the RFQ-F, the Department Head may enter into negotiations with the Vendor submitting the Lowest Compliant Bid to lower their price, where it is agreed that the changes required to achieve an acceptable Bid will not change the general nature of the requirement described in the RFQ-F.

#### 6.4 Request for Tenders (RFT) (>\$100,000)

- (1) **When to use an RFT.** An RFT is used when the Town is seeking the lowest cost proposal and/or the Specifications for Goods or Services is sufficiently detailed so as to allow a bidder to compete for the Contract based on price alone.
- (2) **How to Conduct an RFT.**
  - (a) All RFTs must be developed using the Standard Town Template, including the Town's standard form of agreement, unless the CAO or their delegate approves the use of another template document.
  - (b) RFTs with a Dollar Value of over \$100,000 must be conducted in accordance with the requirements of the Trade Agreements, which may include the requirement to publish a tender notice as set out in Part 10 (Publishing Tender Notices/Advertising Opportunities).
  - (c) All RFTs shall be issued and awarded in accordance with the tendering procedures as described in the RFT document, this Policy and related procedures.
  - (d) Subject to satisfying the requirements of the RFT, for example a requirement to pass a reference check, the RFT shall be awarded based on the Lowest Compliant Bid.

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(3) **Tender Opening.**

- (a) **Public Opening.** The Town shall endeavour to open all tenders promptly after the date and time of closing. Tender openings shall be open to the public and shall be attended by the General Manager of Corporate Services or his/her designate, the staff member responsible for the tender, and the Department Head or designate undertaking the project. Where the stipulated staff person is not available a delegate shall be appointed.
- (b) **Process.** The General Manager of Corporate Services, or their delegate, shall open all submitted tenders, and the envelope, Form of Tender and agreement to bond for each individual tender shall be clipped together. The General Manager of Corporate Services shall announce the name of the bidder, the subject matter of the RFT and the total amount of each Bid. All persons present at the Tender opening shall be advised that the tenders will be referred to the Department Head undertaking the project for final review.
- (c) **Defective Tenders.** The Department Head undertaking the project (or designate) shall check the tenders to ensure that all tender requirements and conditions have been met. If an improper tender or a defect in the tender is discovered and if it is deemed necessary to reject the tender by reason of the improper or defective tender, the bidder shall be advised in writing that the tender has been rejected and reasons for same.
- (d) **Summary of Tenders.** The General Manager of Corporate Services or designate shall promptly file all certified cheques or other security for safekeeping and prepare a summary of the tenders containing the name of each bidder, the subject matter of the RFT and the total amount of each Bid. The Summary of Tenders shall be made available to the public.
- (4) **No Compliant Bids Received.** When no compliant Bids are received in response to a Request for Tenders, bidders shall be notified and the RFT shall be declared terminated. Where time permits, in the opinion of the Department Head, the RFT shall be re-issued with the appropriate revisions. Where time does not permit, the Originating Department may communicate to each Vendor who previously submitted a Bid and identify the deficiencies that resulted in its Bid being deemed non-compliant. All Vendors who submitted a Bid will then be given the opportunity to submit a new Bid.
- (5) **Two or More Bids Are Equal.** If two or more Bids are received and are the Lowest Compliant Bids and the RFT document permits asking for best and final offers, best and final offers will be solicited from each of these Vendors in order to break the tie. If this effort is unsuccessful, then a draw will be held to determine the successful Vendor.

- (6) **One Compliant Bid Received.** Where only one Bid has been received, the Department Head may, if required and permitted by the terms of the RFT, proceed to negotiate changes with the Bidder, provided that such changes must not alter the general nature of the procurement described in the RFT.
- (7) **Successful Bid Over Budget.** Where one or more Bids have been received and are in excess of budgeted funds, provided it is permitted by the terms of the RFT, the Department Head may enter into negotiations with the Vendor submitting the Lowest Compliant Bid, where it is agreed that the changes required to achieve an acceptable Bid will not change the general nature of the requirement described in the RFT.

## 6.5 Request for Proposals (RFP) (>\$100,000)

- (1) **When to use an RFP.** The RFP is the preferred method of procurement where:
  - (a) the Town is looking for the best value proposal; the decision on preferred Vendor, Goods or Services is not based solely on the lowest priced Goods or Services;
  - (b) the Specifications are not so detailed as to allow for an evaluation on price alone;
  - (c) when alternate methods are being sought to perform a certain function or service, at the time of the request.
- (2) **How to Conduct an RFP.**
  - (a) All RFPs shall be developed using the Standard Town Template, including the Town's form of agreement.
  - (b) RFPs with a Dollar Value exceeding \$100,000 must be conducted in accordance with the requirements of the Trade Agreements which normally includes a requirement to publish a tender notice as described in Part 10 (Publishing Tender Notices/Advertising Opportunities).
  - (c) The RFP shall be issued and awarded in accordance with the RFP procedures as described in the RFP, this policy and related procedures.
  - (d) The RFP shall clearly set out the evaluation criteria **including the methods of weightings and evaluation.** (*CFTA, CETA, OQTCA*)
  - (e) Bids responding to RFP must be set out in 2 envelopes containing each a technical proposal and the financial proposal.
  - (f) Upon receipt of the Bids, only the technical proposal will be opened first to evaluate whether the Bid meets technical requirements.
  - (g) All Bids that meet any mandatory requirements outlined in the Request for Proposals document shall be evaluated as set out in the RFP. Bids that do not meet the mandatory requirements shall not be further processed

and shall be returned, with the financial proposal unopened, to the unsuccessful bidder at time of communication of the award decision.

- (h) For Bids that qualify to be evaluated, an evaluation committee will perform the evaluation.
  - (i) The evaluation committee shall have a minimum of three (3) evaluators and be comprised of at least (1) one representative from the originating Department. The evaluators shall review all compliant Bids against the established criteria and evaluation weightings, reach consensus on the final rating results, and ensure that the final rating results with supporting documents are kept in accordance with the Town's record retention policies and are available for review.
  - (j) Once the evaluation of the technical proposals is completed, the financial proposals may be opened by the Department Head or their delegate and a final score calculated.
  - (k) Any award shall be made to the highest-ranking bidder, subject to the terms of the RFP.
- (3) **No Compliant Bids Received.** When no compliant Bids are received in response to a RFP, bidders shall be notified, and the RFP shall be declared terminated. Where time permits, in the opinion of the Department Head, the RFP shall be re-issued with the appropriate revisions. Where time does not permit, the Originating Department may either (a) proceed to negotiate with a selected Vendor or (b) communicate to each Vendor who previously submitted a Bid, identify the deficiencies that resulted in its Bid being deemed non-compliant and provide all Vendors that previously submitted Bids the opportunity to submit a new Bid.
- (4) **Two or More Bids Are Equal.** If two or more Bids are received, then a draw will be held to determine the successful Vendor. Vendors to be advised in advance of this process and invited to attend should they choose to.
- (5) **One Compliant Bid Received.** Where only one Bid has been received, the Department Head may, if required and permitted by the terms of the RFP, proceed to negotiate changes with the bidder, provided that such changes must not alter the general nature of the procurement described in the RFP.
- (6) **Successful Bid Over Budget.** Where one or more Bids have been received and are in excess of budgeted funds, provided it is permitted by the terms of the RFP, the Department Head may enter into negotiations with the Vendor submitting the Highest Ranked Bid, where it is agreed that the changes required to achieve an acceptable Bid will not change the general nature of the requirement described in the RFP.

## 6.6 Request for Standing Offer (Standing Arrangement)

- (1) **Why use a RFSO.** The RFSO is a procurement method that results in a Standing Arrangement with the winning Vendors. A “**Standing Arrangement**” means an arrangement with a Vendor(s) under which a procuring entity **may buy** (but is not committed to buy) Goods or Services from the Vendor(s) over a period specified in the arrangement. The arrangement includes all terms applicable to the procurement, such as the cost of the Good or Service and delivery requirements. Unlike the RFP and RFT, the RFSO does not result in a purchase commitment concurrent with the award of the Contract.
- (2) **When to use a RFSO.** An RFSO may be used where the anticipated need for Goods or Services is inconsistent but recurring (such as for office supplies or other consumables, accounting services, etc.) and the Town wishes to consolidate all such recurring purchases under a single, or several Vendors, in order to secure the best prices.
- (3) **How to conduct an RFSO.** The RFSO shall be conducted in the same way as the RFP or RFT process described above.
- (4) **Special Rules for RFSO – Standing Arrangements.** In each RFSO, the Town must indicate how subsequent purchases will be made from a Vendor under a Standing Arrangement. (*CFTA*) For example, if three (3) Vendors will be awarded a contract, the RFSO must indicate if the Vendors will be called upon to supply the Goods or Services on a rotational basis, whether there will be quotes requested from each Vendor prior to a decision being made on who will supply the Goods or Services, whether a Vendor will be given the right of first refusal over all requirements over other Vendors or any other approach.
- (5) **No Purchase Commitment without a Call-Up.** Purchase commitments under a standing offer agreement are only made upon the issuance of a Purchase Order or call-up made pursuant to the terms of the standing offer agreement.

## 6.7 Prequalification of Vendors (RFPQ)/Selective Tendering

- (1) **Establishing a list of prequalified Vendors (RFPQ).** The Town may elect to maintain a list of prequalified Vendors of Goods or Services on a roster.
- (2) **Why establish a list of prequalified Vendors.** Prequalification of Vendors should be considered in the following circumstances:
  - (a) there is a business need to ensure Vendors have the capacity to perform the work as a condition of participating in a RFX process and there could be a substantial impact on Town operations if the work is not satisfactorily performed the first time;



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- (b) where the requirement for the specific Goods or Services often arise unexpectedly and efficiency in procurement is necessary to ensure the Town's operational requirements are always met; or
  - (c) any other circumstances deemed appropriate by Department Head.
- (3) **No requirement to publish tender notices for subsequent procurement processes.** Where a prequalified list of Vendors is established pursuant to an RFPQ, the Town may issue RFX directly to prequalified Vendors without a need to publish a tender notice on the Town's tendering website, regardless of Dollar Value.
- (4) **Information to request in a RFPQ.** Prequalification requires Vendors to provide such information as requested by the Town to determine that the Vendor has the capability in all respects to perform the Contract requirements. This information may include such things as:
- (a) previous experience on similar work (firm and staff assigned);
  - (b) capacity to fulfill the Contract requirements;
  - (c) the facilities and/or equipment to perform the work.

The RFPQ shall limit any conditions for participation to those that are essential to ensure that a Vendor has the legal and financial capacities, and the commercial and technical abilities, to undertake the relevant Contract. In establishing the conditions for participation, the RFPQ: (a) shall not impose a condition that, in order for a Supplier to participate in a procurement, the Supplier has previously been awarded one or more contracts by the Town; (b) may require relevant prior experience if essential to meet the requirements of the procurement; and (c) shall not require prior experience within the region, in Ontario or Canada to be a condition of the procurement without first obtaining the approval from the CAO. *(OQTCA, CFTA, CETA)*

In assessing whether a Vendor satisfies the conditions for participation in a particular procurement, the Town shall evaluate the financial capacity and the commercial and technical abilities of a Vendor on the basis of that Supplier's business activities without regard to the location of those activities, unless otherwise approved by the CAO. *(OQTCA, CFTA, CETA)*

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- (5) **How to establish a list of prequalified Vendors.**
- (a) A RFPQ notice must be published on the Town's tender website if the Dollar Value of the total expected purchases is for over \$100,000 (a "**High Value RFPQ**"). (*CFTA, CETA*) For lower Dollar Value requirements, there is no requirement to publish an RFPQ notice. In an effort to ensure subcontractors are aware of the opportunity, it is recommended, as a good business practice, to advertise the requirement and list those bidders who have been qualified to participate in the process.
  - (b) Each RFPQ must be developed using the Standard Town Template document.
  - (c) Each RFPQ should include (*CFTA, CETA*):
    - i. A description of the Goods or Services or categories thereof for which the prequalification list will be used;
    - ii. The conditions for participation to be satisfied by Vendors for inclusion on the list;
    - iii. The criteria that will be used to prequalify Vendors;
    - iv. A statement that only Vendors on the prequalified list will receive further notices of procurement covered by the list;
    - v. The period of validity of the list or an indication of the method by which notice will be given of the termination of the list;
    - vi. The Town of Orangeville's contact information.
  - (d) Vendor submissions will be evaluated, ranked, and a list of prequalified Vendors will be established.
- (6) **Annual Posting of RFPQ.** A High Value RFPQ and a notice inviting interested Vendors to apply for inclusion on the list must be published annually, unless the prequalification list will only be valid for three (3) years or less. The notice shall include: (a) a description of the Goods or Services, or categories thereof, for which the list may be used; (b) the conditions for participation to be satisfied by Vendors for inclusion on the list and the methods that the procuring entity will use to verify that a Vendor satisfies the conditions; (c) the name and address of the procuring entity and other information necessary to contact the Town and obtain all relevant documents relating to the list; (d) the period of validity of the list and the means for its renewal or termination, or if the period of validity is not provided, an indication of the method by which notice will be given of the termination of the use of the list. (*CFTA, CETA*)

- (7) **For RFPQs covering requirements with a Dollar Value > \$365,000**, if the list of qualified Vendors will be valid for three (3) years or less, the Town may publish the notice inviting interested Vendors at the beginning of the period of validity of the list and must make the notice available continuously during the period of its validity. (*CETA*)

## **Part 7 Sole Source Procurements / Direct Purchase**

- (1) The Town may procure Goods and Services without a competitive process in the following circumstances:
- (a) **No Compliant Bids Received:** If (i) no Bids were submitted or no Vendors requested participation; (ii) no Bids that conform to the essential requirements of the RFX documentation were submitted; (iii) no Suppliers satisfied the conditions for participation; or (iv) the submitted tenders were collusive, provided that the requirements of the tender documentation are not substantially modified; (*OQTCA, CFTA, CETA*)
  - (b) **Only One Supplier:** if the Goods or Services can be supplied only by a particular Supplier and no reasonable alternative or substitute Goods or Services exist for any of the following reasons: (i) the requirement is for a work of art; (ii) the protection of patents, copyrights, or other exclusive rights; (iii) due to an absence of competition for technical reasons; (*OQTCA, CFTA, CETA*) (iv) the supply of Goods or Services is controlled by a Supplier that is a statutory monopoly; (v) to ensure compatibility with existing Goods, or to maintain specialized Goods that must be maintained by the manufacturer of those Goods or its representative; (vi) work is to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work; (vii) work is to be performed on a leased building or related property, or portions thereof, that may be performed only by the lessor; or (viii) the procurement is for subscriptions to newspapers, magazines, or other periodicals; (*CFTA*)
  - (c) **Additional Deliveries:** for additional deliveries by the original Supplier of Goods or Services that were not included in the initial procurement, if a change of Supplier for such additional Goods or Services: (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, Services, or installations procured under the initial procurement; and (ii) would cause significant inconvenience or substantial duplication of costs for the procuring entity; (*CFTA, CETA*)

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- (d) **Commodity Market Goods:** for Goods purchased on a commodity market such as electricity, postal Services, postage, water, fuel, natural gas, furnace oil; (*OQTCA, CFTA, CETA*)
  - (e) **Prototypes:** if the Town procures a prototype or a first Good or Service that is developed in the course of, and for, a particular contract for research, experiment, study, or original development. Original development of a first Good or Service may include limited production or supply in order to incorporate the results of field testing and to demonstrate that the Good or Service is suitable for production or supply in quantity to acceptable quality standards, but does not include quantity production or supply to establish commercial viability or to recover research and development costs; (*OQTCA, CFTA, CETA*)
  - (f) **Exceptionally Advantageous Conditions:** for purchases made under exceptionally advantageous conditions that only arise in the very short term in the case of unusual disposals such as those arising from liquidation, receivership, or bankruptcy, but not for routine purchases from regular Suppliers; (*OQTCA, CFTA, CETA*)
  - (g) **Winner of Design Contest:** if a contract is awarded to a winner of a design contest provided that: (i) the contest has been organized in a manner that is consistent with this Policy, in particular relating to the publication of a tender notice; and (ii) the participants are judged by an independent jury with a view to a design contract being awarded to a winner; (*OQTCA, CFTA, CETA*) or
  - (h) **Confidential or Privileged Goods or Services:** if Goods or consulting Services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open tendering process could reasonably be expected to compromise government confidentiality, result in the waiver of privilege, cause economic disruption, or otherwise be contrary to the public interest; (*CFTA*)
  - (i) **Emergency:** if strictly necessary, and for reasons of urgency brought about by events unforeseeable by the Town, the Goods or Services could not be obtained in time using an open competitive process. An Emergency is an exceptional situation that could include:
    - (a) An imminent or actual danger to the life, health or safety of any person;
    - (b) An imminent or actual danger of injury to or destruction of real or personal property;

- (c) An imminent or actual unexpected interruption of a public service essential to the community;
  - (d) An emergency as defined by the *Emergency Management and Civil Protection Act*, R.S.O. 1990, c. E.9 and the emergency plan formulated thereunder by the Town; and
  - (e) An imminent or actual spill of a pollutant as contemplated by Part X (Spills) of the *Environmental Protection Act*.
- (2) **Written Justification Required.** All Sole Source procurements must be justified in writing based on one of the above exemptions and approved by the Approval Authority as set out in Part 2 (Delegation of Approval Authority). The CAO must provide prior approval to enter into negotiations with a Vendor where the Dollar Value exceeds \$100,000.

#### **Part 8 Cooperative Procurement (Buying Groups)**

- (1) In the absence of an applicable Town Contract, a Department may participate in a procurement process administered by a Buying Group.
- (2) Conducting a procurement through a Buying Group is effectively delegating the procurement responsibility to a third party.
- (3) In participating in a Buying Group: (CFTA)
  - (a) to the extent practicable, the Town shall ensure that the procurement is carried out in a manner consistent with the Trade Agreements;
  - (b) the Town shall publish a notice of its participation with the Buying Group at least annually on the tendering website normally used and the notice shall direct potential Suppliers to the buying group tender notices website if it is different from the Town's tendering website or systems.

#### **Part 9 Unsolicited Proposals**

- (1) The Town may, from time to time, be approached by proactive Vendors seeking to engage the Town in a procurement or contract. For example, a proactive Vendor may offer to allow the Town to test, or pilot, a Good or Service, or suggest that the Town consider an innovative approach, or solution to an existing Town problem.
- (2) Town staff may engage in discussions with potential Suppliers on opportunities that exist in the market as part of informing themselves of market changes and opportunities. Before engaging in any such discussions, however, the Vendor

must always be advised that any procurement or contract can only be initiated pursuant to the Town's policies.

- (3) If an unsolicited proposal (document) is received from any potential Supplier, the unsolicited proposal should be forwarded to the appropriate Town Department Head. The Department Head shall first assess such proposals on the basis of whether they align with the Town's strategic goals and objectives, do not circumvent the Town's regular procurement processes, and the proposal's scale and scope align with the requirements and funding ability of the Town.
- (4) If it is determined that there is a legitimate need for the Goods and/or Services offered by way of an unsolicited proposal, then the procurement process shall be conducted in accordance with the Policy.

#### **Part 10 Publishing Tender Notices / Advertising Opportunities**

- (1) All RFPQ notices and Open Competitive Processes exceeding a Dollar Value of \$100,000 shall be advertised using a tender notice. (*OQTCA, CFTA, CETA*)
- (2) Each tender notice must be advertised on the tendering website authorized by the CAO for posting tender notices, from the date that the RFX is issued up to and including the date on which the RFX closes.
- (3) **Content of Tender Notices.** Each tender notice must include the following information: (*OQTCA, CFTA, CETA*)
  - (a) the name and address of the Town and other information necessary to contact the Town and obtain all relevant documents relating to the procurement, and their cost and terms of payment, if any;
  - (b) a brief description of the procurement;
  - (c) the nature and the quantity, or estimated quantity, of the Goods or Services to be procured unless those requirements are included in RFX;
  - (d) the address and final date for the submission of Bids;
  - (e) the date, time, and place for any public opening of Bids;
  - (f) a list and brief description of any conditions for participation of Vendors, including any requirements for specific documents or certifications to be provided by Vendors, unless those requirements are included in RFX that is made available to all interested Suppliers at the same time as the tender notice;

- (g) a statement that the procurement is subject to the specific Trade Agreements (include names);
  - (h) the time-frame for delivery of Goods or Services, or the duration of the Contract;
  - (i) a description of any options;
  - (j) the procurement method that will be used, and whether it will involve negotiation or electronic auction;
  - (k) if a procuring entity intends to select a limited number of qualified Vendors to be invited to Bid, the criteria that will be used to select them and, if applicable, any limitation on the number of Vendors that will be permitted to Bid, unless the criteria and any limitations are included in the RfX; and
  - (l) the language or languages in which tenders or responses to requests for prequalification may be submitted, if they may be submitted in a language other than that of the tender notice.
- (4) **Minimum Posting Times.** When determining the period of time for posting a tender or RFPQ notice (the “**Posting Time**”), the Town shall provide a reasonable period of time for Suppliers to prepare and submit responsive Bids taking into account factors such as: (i) the nature and complexity of the procurement; (ii) the extent of subcontracting anticipated; and (iii) the time necessary for transmitting Bid Solicitation documentation by non-electronic means (*OQTCA, CFTA, CETA*).

For procurements with a Dollar Value exceeding \$365,000, the Posting Time shall not be less than prescribed in the following tables, without the prior approval of the CAO (*CETA*).

**Minimum Posting Time for RFPQ Notices (*CETA*).**

When the Town issues a RFPQ notice, the final date for submission shall be as follows:

Condition	Minimum time for Posting (from the date notice is posted)
Start with	<b>20 days</b>
If <b><i>all</i></b> documentation is available by electronic means, <b>reduce by 5 days</b>	<b>15 days</b>
If Submissions are received by electronic means, <b>reduce by an additional 5 days</b>	<b>10 days</b>

**Minimum Posting Time for Tender Notices (*CETA*).** When the Town is using an Open Competitive

Process, the notice of tender shall be published as follows:

Condition	Minimum time for Posting (from the date notice is posted)
Start with	<b>35 days</b>
If <b><i>all</i></b> documentation is available by electronic means, <b>reduce by 5 days</b>	<b>30 days</b>
If Submissions are received by electronic means, <b>reduce by an additional 5 days</b>	<b>25 days</b>

#### **Emergencies**

If the CAO concurs that a state of urgency renders any of the above posting times impracticable, the minimum posting time is **10 days**

- (5) No advertising is required for Bid Solicitations to be issued to bidders that have been previously pre-qualified in accordance with this Policy.
- (6) Advertising of the procurement is **not** required **prior** to entering into a Sole Source Contract. There are posting requirements after the contract has been awarded, however, as set out in Part 12 (Notification of Award or Sole Source Contract).

### **Part 11 Negotiation Of Contracts**

- (1) Negotiation as Part of a Competitive Process:
  - (a) The Town may conduct negotiations with the successful bidder if the Town has indicated its intent to conduct negotiations in the tender notice or the RFX. (*CFTA, CETA, OQTCA*). The process to be used is as stipulated in the Standard Town Template.
  - (b) The Town shall ensure that any elimination of bidders participating in negotiations is carried out in accordance with the evaluation criteria set out in the RFX documentation, this Policy, and Standard Town Template.
  - (c) In the course of negotiations, the Town shall not give an unfair advantage to, or discriminate against, a bidder.
- (2) Negotiation of Sole Source Contract:
  - (a) Unless otherwise approved by the CAO, the Town shall use the Town's Standard Town Template form of agreement as the basis of any contract negotiation of a Sole Source Contract.
  - (b) All Contracts must include a provision allowing the Town to terminate the contract for any reason upon thirty (30) days prior notice unless otherwise approved by the CAO.



- (c) Only the CAO may authorize the use of an alternative form of agreement or changes to the terms in the Town's template agreements.

## **Part 12 Notification Of Award Or Sole Source Contract**

- (1) Participating bidders shall be promptly informed of the contract award decision by the Department Head or designate. The unsuccessful bidders shall only be notified once the Contract with the successful bidder has been signed.
- (2) Where (a) a tender notice was published as part of the procurement process or (b) where a Sole Source Contract with a Dollar Value exceeding \$100,000 was awarded, the Town shall publish a notice of award of the Contract on the tendering website used for the posting no later than seventy-two (72) days after the award of each contract. The notice shall contain the following: (*OQTCA, CFTA, CETA*)
  - (a) A description of the Goods or Services procured;
  - (b) The Town's address and contact information;
  - (c) The name and address of the successful Vendor;
  - (d) The value of the Contract;
  - (e) The date of award; and
  - (f) If the Town relied on a Sole Source exception to award the Contract, the conditions and circumstances relied on to proceed with limited tendering.

## **Part 13 Authority To Execute Contracts And Related Documentation**

- (1) The persons with Approval Authority identified in this Policy shall execute Contracts and all related documents on behalf of the Town which may include an assignment or amendment of such Contract, except for an amendment terminating the Contract. The termination of any Contract must be pre-approved by the CAO.
- (2) If an amendment to a Contract increases the Dollar Value and Approval Authority, then the higher level Approval Authority is required to approve and sign that amendment, and any further amendments and assignments relating to that Contract.

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**Part 14 Bidder Debriefing (>\$100,000)**

- (1) The Town shall, on request, provide debriefing sessions to unsuccessful Suppliers with an explanation of the reasons why the procuring entity did not select its tender. (*CFTA, CETA, OQTCA*) The debriefing session may be held in person, by telephone or by other electronic means that permits all parties to be heard.
- (2) The purpose of a debrief is to provide constructive feedback in respect of the bidder's Bid. The debriefing process is not a complaint process and should not be treated as such.
- (3) Information about Bids submitted by other bidders must not be discussed or disclosed in the debriefing.
- (4) Debriefings are an important component of a competitive process and provide an opportunity to:
  - (a) Recognize the efforts bidders make in responding to solicitation documents issued by the Town;
  - (b) Provide constructive criticism and suggestions for improvements so that unsuccessful bidders have a better opportunity at winning future Bids and the Town has access to more qualified bidders that are better able to compete for the Town's business; and
  - (c) Address questions and concerns in a non-confrontational manner, which may assist in mitigating the risk of unsuccessful bidders pursuing litigation or initiating procurement protests.

**Part 15 Bidder Complaint Resolution**

- (1) The Town of Orangeville encourages the most open, competitive procurement processes and the objective and equitable treatment of all Vendors.
- (2) Any Vendor that wishes to challenge or is otherwise aggrieved by a decision made by the Town, its staff or Council under this Policy is required to provide a written complaint to the Town Clerk, within five (5) business days of the date of the award or other decision. The Town Clerk will distribute accordingly to the appropriate staff to respond.
- (3) The Department Head in conjunction with the GM of Corporate Services shall respond to the complaint within ten (10) working days.
- (4) In the event the Vendor is not satisfied with response provided, they can request a meeting with the Department Head. The Vendor's request shall be in writing

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and shall provide a detailed statement of the grounds of the complaint, including copies of relevant documents, and identify the form of relief requested.

- (5) If no resolution satisfactory to both parties has been achieved, the Vendor will have three (3) business days from the date of the meeting with the Department Head to make a formal written request to meet with the Department Head, GM of Corporate Services and CAO regarding the Vendor's complaint. The Department Head, GM of Corporate Services and CAO will make the final decision regarding the Vendor's complaint, which decision will be made in writing.

## **Part 16 Bidder Eligibility**

- (1) Without limiting or restricting any other right or privilege of the Town and regardless of whether or not a Bid otherwise satisfies the requirements of an RFX, the Town may bar a Vendor, refuse any Bid from a Vendor, or remove the Vendor from a prequalified Vendor list where:
- (a) There is supporting evidence that the commercial integrity of the Vendor has been impaired by the act(s) or omission(s) of such Vendor (*OQTC*, *CFTA*, *CETA*) including but not limited to any one or more of the following having occurred within the five (5) year period immediately preceding either the date on which the RFX is released or while the Vendor is on the prequalified Vendor list:
- (i) the Town commenced litigation against the Vendor for wrongdoing;
  - (ii) act(s) or omission(s) resulting in a claim by the Town under any security submitted by the Vendor on a RFX, including but not limited to a Bid bond, a performance bond, or warranty bond;
  - (iii) the failure of the Vendor to pay, in full, all outstanding payments (and, where applicable, interest and costs) owing to the Town by such Vendor, after the Town has made demand for payment of same;
  - (iv) the Vendor's refusal to follow reasonable directions of the Town or to cure a default under any Contract with the Town as and when required by the Town;
  - (v) the Vendor's refusal to enter into a Contract with the Town after the Vendor's Bid has been accepted by the Town;
  - (vi) poor performance of a Vendor, including the Vendor's refusal to perform or to complete performance of a Contract with the Town;

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- (vii) the Vendor having unlawfully or unreasonably threatened, intimidated, harassed, or otherwise interfered with an attempt by any other prospective Vendor to Bid for a Town Contract or to perform any Contract awarded by the Town to that Vendor;
  - (viii) the Vendor having discussed or communicated, directly or indirectly, with any other Vendor or their agent or representative about the preparation of the Vendor's Bid including, but not limited to, any connection, comparison of figures or arrangements with, or knowledge of any other Vendor making a Bid for the same work except in the instance of a joint venture Bid where one is permitted;
  - (ix) the Vendor having unlawfully or unreasonably threatened, intimidated, harassed, assaulted or committed battery against, or otherwise interfered with an official, employee, representative, agent or independent consultant or contractor of the Town in the performance of his or her duties or in any way attempted to influence such persons;
  - (x) the Vendor has on one or more occasions, in the performance of a Contract with the Town, deliberately, with wilful blindness or negligence, save and except an inadvertent error corrected to the satisfaction of the Town within a reasonable time, as determined by the Town:
    - 1. over-billed, double-billed and/or retained a known over-payment, or has failed to notify the Town of an over-payment or duplicate payment;
    - 2. billed for items not supplied;
    - 3. billed for items of one grade, while supplying items of an inferior grade;
    - 4. made a misrepresentation as to the quality or origin of Goods, their functionality or suitability for a purpose, or their performance characteristics;
    - 5. submitted false or misleading information to the Town;
    - 6. acted in conflict with the Town's interests;
    - 7. misappropriated any property or right of the Town, in any form; or
    - 8. committed any other form of sharp or deceptive practice

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- (xi) any other act or omission by the Vendor that the Town deems to impair the commercial relationship between the Town and the Vendor.
- (b) There is supporting evidence that it would not be in the best interests of the Town to enter into a Contract with the Vendor, including but not limited to:
- (i) the conviction of that Vendor or any person with whom that Vendor is not at arm's length within the meaning of the *Income Tax Act* (Canada) of an offence under any taxation statute in Canada;
  - (ii) the conviction or finding of liability of that Vendor under the *Criminal Code* or other Legislation or law, whether in Canada or elsewhere and whether of a civil, quasi-criminal or criminal nature, of moral turpitude including but not limited to fraud, theft, extortion, threatening, influence peddling and fraudulent misrepresentation;
  - (iii) the conviction or finding of liability of that Vendor under any environmental Legislation, whether of Canada or elsewhere, where the circumstances of that conviction evidence a gross disregard on the part of that Vendor for the environmental well-being of the communities in which it carries on business;
  - (iv) the conviction or finding of liability of that Vendor relating to product liability or occupational health or safety, whether of Canada or elsewhere, where the circumstances of that conviction evidence a gross disregard on the part of that Vendor for the health and safety of its workers or customers;
  - (v) the conviction or finding of liability of that Vendor under the financial securities Legislation whether of Canada or elsewhere, where the circumstances of that conviction evidence a gross disregard on the part of that Vendor for its stakeholders.
- (c) There is supporting evidence that the Vendor has been declared bankrupt (*OQTCA, CFTA, CETA*) or is insolvent. (*OQTCA, CFTA*)
- (2) For the purposes of this Part, a reference to a Vendor shall also include: an officer, a director, a majority or controlling shareholder, or a member of the Vendor, if a corporation; a partner of the Vendor, if a partnership; any corporation to which the Vendor is an affiliate of or successor to, or an officer, a director or a majority or controlling shareholder of such corporation; and any person with whom that the Vendor is not at arm's length within the meaning of the *Income Tax Act* (Canada).

### **Part 17 Employee Conflicts Of Interest**

- (1) Employees of the Town shall not have an interest, either directly or indirectly, in any Town Contract unless such interest has been declared and/or such employee is excluded from involvement with the procurement decisions related to the Contract.
- (2) Employees must declare any pecuniary interest, either direct or indirect, in writing to their Department Head indicating the specific nature of the conflict and shall be excluded from any involvement with the procurement of such Goods and/or Services.
- (3) All Town employees, consultants and others participating in a procurement process will be required to complete and sign a declaration that they are not in a conflict of interest with respect to their duties in connection with the procurement.

### **Part 18 Statement Of Ethics For Public Procurement**

The following ethical principles shall govern the conduct of every Town employee delegated with the authority to procure.

- The Town's employees must conduct themselves with the utmost integrity in carrying out their duties as public servants including avoiding any apparent, potential and actual conflicts of interest.
- Every Town employee shall abide by the highest ideals of honour and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the organization and the public being served.

#### **Employee's responsibility to the Town:**

- Follow the lawful instructions, by-law, policies and procedures of the Town.
- Understand the limits of the authority granted by the Town.
- Avoid activities which would compromise or give the perception of compromising the best interest of the Town and the public.
- Obtain the maximum benefit for funds spent as agents for the Town.

#### **Employee's relationship with Vendors:**

- Maintain and practice, to the highest degree possible, business ethics, professional courtesy and competence in all transactions.

- Undertake all purchasing activities without positive or negative bias.
- Strive to obtain the maximum value for each dollar of expenditure.
- Consistently reject any offer of favours, gifts, gratuities, loans regardless of the dollar value.
- Adhere to and protect Vendors' business and legal rights to confidentiality over pricing information, trade secrets, and other proprietary information.

## **Part 19 Contract Management**

### **19.1 Responsibility for Managing the Contract**

- (1) Department Heads or their delegate (the "**Contract Manager**") are responsible for ensuring all Contract requirements are satisfied by the Vendor throughout the term, including ensuring bonds and insurance certificates, WSIB, or any specified license requirements, are provided as required by the Contract.
- (2) The Contract Manager must ensure proper oversight of the Vendor and proper inspection of Goods and Services throughout the Contract term, promptly report and address deficiencies in performance and keep records of Vendor performance as set out in section 19.2.
- (3) All Contract documentation must be maintained in a central location in accordance with the Town's document retention policies.
- (4) As a condition of paying for Goods and Services: (a) Department Heads or their delegate must ensure and certify that Goods and Services supplied by a Vendor conform with the requirement of the Contract; and (b) that invoices are made in accordance with provisions of the Contract.

### **19.2 Vendor Performance Evaluation**

- (1) At the completion of every Contract for Goods and/or Services the Originating Department should complete a Vendor performance evaluation ("**Vendor Performance Evaluation**"). Such evaluation must be kept in accordance with the Town's record retention policies and be available to review.
- (2) In the event of poor performance or non-performance of a Vendor at any time during the term of any Town Contract, the Contract Manager shall, as part of their contract management responsibilities, document the poor performance as soon as reasonably possible after the occurrence and address performance deficiencies with the Vendor and such documents shall be kept in accordance with the Town's record retention policies and be available to review.

- (3) Documented poor performance or non-performance on any Town Contract will be used to determine the eligibility of a Vendor to (a) continue to provide Goods and/or Services to the Town on a current Contract; (b) remain a qualified Vendor; and (c) participate in future procurements as set out in Part 18 (Bidder Eligibility).
- (4) In the event of a Vendor's breach of a Town Contract, the applicable level of Approval Authority shall have the discretion to either:
  - (a) re-issue an RFX; or
  - (b) provided it is permitted by the terms of the RFX and does not violate this Policy or the Trade Agreements, negotiate and enter into a new Contract for the remaining obligations of the Contract with the second lowest bidder of the original RFX.

## **Part 20 Disposal Of Surplus Assets**

- (1) Department Heads may submit to Finance Division from time to time and upon request, a list of furniture, vehicles, equipment, stocks and other assets, which are obsolete, damaged or surplus to that Department 's needs ("**Surplus Assets**").
- (2) All Surplus Assets shall first be offered to other Departments within the Corporation. Upon this first step, surplus assets to be offered outside the Corporation must be approved by the CAO.
- (3) All Surplus Assets not required by any Department of the Corporation may then be offered to public sector agencies and charitable organizations within the Town prior to any public disposal procedure, donation or sale to area municipalities.
- (4) Subsequent to subsection (3), surplus assets may be donated to non-profit agencies or non-profit institutions for educational or teaching purposes only. Donated items shall not be re-sold.
- (5) Department Heads shall have the authority to sell or dispose of all Surplus Assets, by sealed bid or public auction through the municipal website or any other online classified site(s).
- (6) The respective Department shall be credited with the net proceeds, if any, from the disposal of its Surplus Assets unless otherwise agreed.
- (7) Surplus Assets shall not be sold directly to an employee or to a member of Council, although this does not prohibit any employee or member of Council from purchasing Surplus Assets being sold through a public process.



**Part 21 Procurement Policy And Reviews**

- (1) The GM of Corporate Services shall from time to time and not less than once per year consult with the Department Heads to obtain feedback on this Policy.
- (2) Based on the consultation with Department Heads, the GM of Corporate Services shall prepare and submit to the CAO an annual report recommending any changes to this Policy to meet the needs and requirements of the Town.
- (3) All changes to this Policy and procedures require the approval of CAO.
- (4) A formal Policy review shall take place every five (5) years.

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## SCHEDULE A - EXCLUSIONS FROM POLICY PROCUREMENT RULES

Contracts for, or payment of, the expenses, Goods and Services listed below are not subject to the competitive procurement requirements in this Policy, save and except for Part 2 (Delegation of Approval Authority) and Part 17 (Employee Conflicts of Interest).

- (1) **General Exclusions:** The following are excluded procurements: *(CFTA and aligned with CETA)*
  - (a) Goods or Services financed primarily from donations that require the procurement to be conducted in a manner inconsistent with this Policy;
  - (b) Procurements by the Town on behalf of an entity not covered by this Policy;
  - (c) Procurements under a commercial agreement between the Town which operates sporting or convention facilities and an entity not covered by this Policy that contains provisions inconsistent with Policy.
  - (d) Acquisition of Goods for the purpose of commercial sale or re-sale by the Town.
- (2) **Excluded Professional Services** *(CFTA and aligned with CETA)*
  - (a) Health or social Services.
  - (b) Services that may, under applicable law, only be provided by licensed lawyers or notaries.
  - (c) Services of expert witnesses or factual witnesses used in court or legal proceedings.
  - (d) Financial Services respecting the management of government financial assets and liabilities (*i.e.* treasury operations), including ancillary advisory and information Services, whether or not delivered by a financial institution.
- (3) **Non-Procurement Transactions**
  - (a) Insurance premiums however the purchase of insurance advisory Services is not excluded.
  - (b) Payments of debts. *(CFTA, CETA)*

- (c) Procurement or acquisition of fiscal agency or depository Services (banking Services). (*CFTA, CETA*)
- (d) Any form of financial assistance, such as grants, loans, equity infusions, guarantees, and fiscal incentives. (*CFTA, CETA*)
- (e) Agreements with a governmental authority or agent of government (for example, vehicle, elevators, radios).
- (f) Acquisition or rental of land, real property payments including land, buildings, leasehold interests, easements, encroachments and licenses, or the like. (*CFTA, CETA*)
- (g) Insurance claims, legal settlements and grievance settlements.
- (h) Binding orders, judgments or decisions of an arbitrator, tribunal or court. Given that these payments are mandatory, approval from the Department Head which is funding the payment is required instead of the approvals set out in Part 2 (Delegation of Approval Authority).
- (i) Refundable travel expenses.
- (j) Other Town and employee related expenses, such as: memberships in professional organizations (professional dues), staff attendance at seminars, testing or examination fees, workshops, courses, training, trade shows or conferences.