FINANCIAL SERVICES

PURCHASING SECTION

Purchasing Policies and Procedures
For the City of Hamilton

Approved By City Council
On: May 26, 2004

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**Reference**

- *PeopleSoft Financials 8.4 Training Manual*
Mission

• To ensure that the Purchasing function meets the current and future needs of the Corporation, provides an economical and efficient service and is considered a value-added partner in the securing of goods and/or services for the Corporation.

Vision

• A team of resourceful skilled professionals, working in partnership with their customers to procure the best product/service in the most efficient manner.

Our Corporation Values

The vision, mission and goals of the City of Hamilton will be guided by 10 core values.

• Fiscal Accountability: to increase the efficiency of our city government through fiscal responsibility and prudence

• Leadership: in our thinking and in our actions; encouraging individual and team initiatives that exceed expectations, and advocating what we believe in

• Innovation: to think broadly and long-term; to balance both city-wide and neighbourhood responsibilities; to do more with limited resources

• Integrity: to demonstrate honesty and sincerity in all of our dealings, upholding only the highest ethical principles; to provide open and transparent communications to create informed opinion

• Respect: for the needs of all residents, for all viewpoints, and for the diversity of our community

• Compassion: sensitivity to, and meeting the requirements of all residents with special needs and interests, and those less fortunate

• Commitment: to fulfilling the vision and goals of the city

• Teamwork: working in full cooperation and a spirit of collegiality with staff, Council, residents, businesses and external partners

• Sustainability: to contribute to a balanced community, economy and environment; to minimize the footprint of our activities and to do no harm

• Excellence: in our service delivery, through a quality workforce; and to show pride in our efforts and the community in which we live and work
1. Procure the necessary quality and quantity of goods and/or services in an efficient, timely and cost effective manner, while maintaining the controls necessary for a public institution, in accordance with the Purchasing Policies as approved by Council.

2. Encourage the most open, competitive bidding process practicable for the acquisition and disposal of goods and/or services, and the objective and equitable treatment of all vendors.

3. Ensure the maximum value of an acquisition is obtained by determining the total cost of performing the intended function over the lifetime of the task. This may include, but not be limited to, acquisition cost, installation, disposal value, disposal cost, training cost, maintenance cost, quality of performance and environmental impact.

4. Further, the City of Hamilton’s commitment to procure goods and/or services with due regard to the preservation of the natural environment and to encourage the use of “environmentally friendly” products and services, as supported by Vision 20/20 goals and strategies.
General Responsibilities

1. All City staff delegated with purchasing authority shall follow the guidelines set out in “A Statement of Ethics for Public Purchasers” established by the Ontario Public Buyers' Association, attached as Schedule “A”, the City’s Code of Conduct Policy No. 7.3, and Conflict of Interest Purchasing Policy #17.

2. Procurement activities shall be subject to all applicable City policies and by-laws, any specific provisions of the Municipal Act, and all other relevant Federal and Provincial legislation.

Purchasing Services Responsibilities

The Director of Financial Services and the General Manager of Finance and Corporate Services shall operate a centralized purchasing unit on behalf of the City in accordance with the requirements of these Policies. In carrying out this responsibility the General Manager of Finance and Corporate Services may appoint designated officials to act on behalf of the City in entering into contracts with third parties. The General Manager of Finance and Corporate Services may limit the purchasing authority of the designated officials, as he deems appropriate. The Purchasing Section will therefore have the following specific responsibilities:

1. Be responsible for the administration of the Corporate Purchasing Policies, Guidelines and Procedures, and will continually review the corporate use of goods and/or services to ensure the City is receiving the best quality, quantity, service, price, etc.

2. Ensure that business transactions are conducted ethically and professionally.

3. To advise on the practicability of specifications to ensure a maximum number of competitive bids and vendor’s ability to supply.

4. Ensure that qualified vendors who have expressed an interest in doing business with the City receive requests for Tenders, Proposals, and Quotations.


6. Advise and assist in the preparation of agreements when requested.

7. Provide training and documentation on how to use the Purchasing module to users of the system. Supply copies of the policies and procedures to all staff who have been delegated purchasing authority and training as required to ensure clear understanding of the corporate expectations.


**Purchasing Services Responsibilities – continued**

8. Maintain records of business transactions as required.

9. Communicate on all developments in the field of purchasing by all governments, trade associations and private business.

10. Take advantage of opportunities to further their knowledge of good public purchasing principles and to maintain excellent skills.

**General Managers & Executive Directors Responsibilities**

1. Ensure all purchases are performed in accordance with the Purchasing Policies and Purchasing Procedures as defined.

2. Delegate Acquisition Authority to the appropriate levels.

3. Ensure that corporate standards are adhered to for purchases that fall under Corporate Tenders or Standing Agreements.

**Prohibitions**

The following activities are prohibited, unless specifically approved by Council:

1. The division of purchases to avoid the requirements of the Policy by any method, which includes purchases made using procurement cards.

2. Purchase by the City of any goods or services for personal use by or on behalf of any member of Council, appointed officers, employees of the City or their immediate families.

3. The acceptance of gifts, benefits, money, discounts, favours or other assistance by elected officials, officers and employees, and their families as detailed in the City of Hamilton Code of Conduct Policy No. 7.3. The image and integrity of the employee and the City of Hamilton must be preserved at all times.

4. Purchase by the City from any member of Council, appointed officers, employees of the City or their immediate families or from any other source that would result in a conflict of interest, unless such interest has been declared pursuant to the Municipal Conflict of Interest Act.

**Exclusions**

Except as hereinafter set out, those items listed in Schedule “B”, Recurring or Non-Competitive Expenditures, are exempt from the requirements of the Purchasing Policies, save and except for Policy #4, Approval Authority.
“Acquisition Method” means the process by which goods or services are procured. The acquisition method applied must correspond with the Acquisition Process provided herein.

“Bid” means an offer or submission from a vendor in response to a request for quotation, tender or proposal, which is subject to acceptance or rejection.

“Centralized Purchasing” refers to the activities conducted by the Purchasing Section in Finance and Corporate Services, which is responsible for the purchase of all goods and/or services in accordance with the requirements of these policies.

“City” means the City of Hamilton.

“Consulting and Professional Services” includes architects, engineers, designers, surveyors, planners, accountants, auditors, lawyers, management, software and financial consultants, brokers, soil consultants, and any other consulting and professional services rendered on behalf of the City. These professionals should possess current member status/accreditation in their appropriate professional body.

“Contract” means a formal legal agreement between two or more parties, usually written, or a purchase order with binding legal and moral implications; usually exchanging goods and/or services for money or other consideration.

“Cooperative Purchasing” means coordination of City purchases with purchases from other not for profit organizations such as other municipalities, utility companies, school boards, hospitals, etc.

“Coordinated Works” means coordination of projects with projects from within the same or different departments in the City.

“Council” means the Council of the City of Hamilton.

“Designate” means the authorized designate or such official as may be appointed to act on behalf of the authorized authority.

“Emergency” means a situation, or the threat of an impending situation, which may affect the environment, the life, safety, health and/or welfare of the general public, or the property of the residents of the City, or to prevent serious damage, disruption of work, or to restore or to maintain essential service to a minimum level.
“Expanded Works” means approved construction projects in which an unexpected problem arises during construction, which does not expand the scope of the project but is necessary in order to deliver the original approved work.

“Goods” includes supplies, equipment, materials, structures and fixtures to be delivered, installed or constructed, including the Recurring or Non-Competitive Expenditures set out in Schedule “B”.

“Purchase Order” means a written offer to procure goods and/or services or a written acceptance of an offer, in a form acceptable to the City Solicitor.

“Purchase Requisition” means an internal written or online request for procuring goods and/or services.

“Quotation” means a request for prices on specific goods and/or services from selected vendors, which are submitted verbally, in writing or transmitted by facsimile as specified in the Request for Quotation.

“Request for Information” means a process where information is requested from vendors regarding the feasibility and availability of specific goods and/or services in the marketplace and to determine if there are enough suppliers to justify a Request for Proposal.

“Request for Proposal” means a formal request for details on the supply of goods or the provision of services, which cannot be fully defined or specified at the time of the request.

“Services” means all professional, consulting, construction or maintenance services, including the Recurring or Non-Competitive Expenditures set out in Schedule “B”.

“Sole Source” means there is only one known source of supply of particular goods or services.

“Tender” means a formal request for sealed bids for the supply of goods and/or services in response to a publicly advertised request for bids.

“Time-Sensitive” means a situation for which the timing to initiate and/or complete the purchase is paramount but the time available to follow normal procedures is insufficient.

“Total Purchase Price” means the total final cost including all related expenses and taxes, and inclusive of any rebates or shared costs by a third party to the agreement.

**NOTE:** Sales taxes, excise taxes, goods and service taxes, duties and shipping shall be excluded in determining the price of a contract for the supply of goods or services for the purpose of the relationship of the price to the preauthorized expenditure limit.
POLICY

The City shall maintain an electronic database of vendors who have expressed an interest in doing business with the City. Suppliers who wish to be included in the list will be required to complete an online “Bidder’s Application Form”. The database is available for use by all City staff.

The City may remove a vendor’s name from consideration for a contract under this Policy for a period of up to five (5) years on the basis of documented poor performance or non-performance on a City contract. Any vendor being excluded from a bidding process due to poor or non-performance will be reported to Council.

REFERENCE

Policies: Policy for Performance Evaluation #8
Procedures: Procedure for Vendor List #PR-1
Procedure for Performance Evaluation #PR-8
Forms: Bidder’s Application Form (On Line)
Vendor Performance Incident Reporting Form
Vendor Performance Evaluation Form
Policy for Pre-Qualification of Acceptable Bidders

SECTION 4

POLICY

1.0 The purpose of this policy is to set out guidelines for pre-qualification to select a number of bidders prior to the competitive sealed bid process. The purpose of pre-qualification is to ensure that each bidder can demonstrate they have the ability to provide the necessary expertise and resources to satisfactorily complete the work required. Pre-qualification would only be considered in the following circumstances:

1.1 the work is considered “high risk” with respect to Regulations governed under the “Occupational Health and Safety Act”;

1.2 the work is such that contract administration costs (work inspection, follow-up, extra fee negotiations) could result in a substantial cost to the City if the work is not satisfactorily performed the first time;

1.3 the goods or equipment to be purchased must meet national safety standards, or if no standard has been established, has demonstrated an acceptable level of performance; or

1.4 the work involves complex, multi-disciplinary activities; specialized expertise, equipment, materials, or financial requirements.

2.0 This is a two-step process, where either a competitive sealed bid or a proposal call will follow. Pre-qualification is the first step and would set out criteria requiring bidders to provide information such as, but not limited to:

2.1 experience on similar work (firm and staff assigned);

2.2 references provided from other customers for similar work;

2.3 verification of applicable licences and certificates;

2.4 health and safety policies and staff training; and

2.5 financial capability.

3.0 Appropriate staff will evaluate and rank the submissions and then recommend a short list of acceptable bidders who will be invited to participate in the subsequent competitive sealed bid.
4.0 Alternatively, the City may issue a “Request for Information”. A Request for Information (RFI) can be used to build supplier interest and to see if there are enough suppliers to justify a full Request for Proposal competition. The RFI would request detailed information such as, but not limited to, company background, who the interested parties are, what they can offer and what they can do for the City. Any resulting bid document will be advertised and will be open to all vendors who wish to participate.

REFERENCE

Policies:  
Policy for Tenders #5D
Policy for Proposals #5E

Procedures:  
Procedure for Tenders #PR-5D
Procedure for Proposals #PR-5E
THE CITY OF HAMILTON
FINANCE AND CORPORATE SERVICES
PURCHASING SECTION

Policy for Specifications

SECTION 4

POLICY #3

Date Approved: May 26, 2004

POLICY

The Department whose budget provides for the acquisition of goods and/or services shall be responsible for the preparation of the specifications for a quotation, tender or proposal call. The Purchasing Section shall have the authority to review and recommend improvements to the specifications when deemed necessary and resulting changes to specifications shall be made with the cooperation of the Department concerned. The Manager of Purchasing shall assist in determining if the specifications are clear in understanding.

1. Specifications shall be approved by a departmental Director and shall be forwarded directly to the Purchasing Section with approval attached.

2. The Manager of Purchasing shall approve all specifications.

3. Specifications should be detailed but not brand specific to leave room for potential vendors to provide alternatives in the event an equal or better-proven product or method is available and shall not deter a competitive process. In such cases where the specification will result in a single source purchase it shall be at the discretion of the Manager of Purchasing to require the department bring forward a report for Council approval.

4. Vendors or potential vendors should not be requested to expend time, money or effort on design or in developing specifications or otherwise help define a requirement beyond the normal level of service expected from vendors. When such services are required:

   a. the contracted vendor will be considered as a consultant and unable to make an offer for the supply of the goods and services, unless approved by the General Manager of the department and the Manager of Purchasing,

   b. a fee shall be paid,

   c. the detailed specification shall be approved by the General Manager of the initiating department and shall become the property of the City for use in obtaining competitive bids.
5. Where it is not possible to prepare precise specifications in order to issue a request for tender for the provision of goods and services, a request for proposals shall be issued. Purchasing, in cooperation with the user department, shall prepare evaluation criteria and weightings for the criteria. The document shall clearly distinguish those requirements that are deemed mandatory or non-mandatory and shall clearly outline how these items will be evaluated.

REFERENCE

Policies:  
Policy for Formal Quotations ($50,000-$100,000) #5C
Policy for Tenders (over $100,000) #5D
Policy for Proposals (over $100,000) #5E

Procedures:  
Procedure for Formal Quotations ($50,000-$100,000) #PR-5C
Procedure for Tenders (over $100,000) #PR-5D
Procedure for Proposals (over $100,000) #PR-5E
POLICY

Anyone given Acquisition Authority under this policy is accountable and responsible to ensure that proper budget exists, purchases do not violate any City, legal or statutory policy, and they have met the audit requirements of the City. Those responsible for requisitioning and purchasing goods and/or services will be held accountable for their decisions. All employees with signing authority will complete the “Notification of Signing Authority” form which shall be authorized by the General Manager/Executive Director or City Manager and forwarded to Financial Services for reference.

Council must approve funding for all purchases greater than $250,000.

City Manager or designate must approve purchases greater than $100,000.

General Managers and Executive Directors are authorized to approve purchases up to $100,000. The General Managers and Executive Directors may delegate approval authority to their staff at the levels they deem appropriate. Only the General Manager/Executive Director shall have this ability. Staff who have been delegated authority from the General Manager/Executive Director to approve purchases may not further delegate this authority without written approval from the General Manager/Executive Director.

NOTES:

A public query in PeopleSoft is available to all General Managers and Executive Directors which documents purchases under $5,000 that were issued directly from the requisitioner without further approval.

The Police Board, HECFI and Library Board will establish their appropriate signing authorities.
1. A Council report recommending award of a tender or proposal will be required if **ANY** of the following conditions apply:

a. The successful bid is in excess of the approved budget, considering “total purchase price” as defined in Section 3 of this policy, including contingency allowance.

b. “Corporate” tenders where budget is disbursed throughout the various using departments.

c. For capital projects, when the final cost of the proposed project exceeds the amount provided in the capital budget for that project by more than 10% or $250,000.

d. The contract is not being awarded to the lowest bid which has met the specification, terms & conditions of the tender or proposal.

e. Where a substantive objection emanating from the bid solicitation has been filed with a representative of the City.

f. Where in the opinion of the Manager of Purchasing, the department’s award decision is not in the best interest of the City.

g. There is senior government (ie. Provincial, Federal) requirements for Council approval of a Tender.

Otherwise, the General Manager/Executive Director and the City Manager, or their designates, shall award the tender/proposal.

During the time that regular Council meetings are suspended such as summer recess, or for any other reason, delegated authority for approvals will be in accordance with any Council approved policy in effect.

2. The Director of Financial Services will prepare a monthly status report to Council on acquisitions in excess of $100,000, which shall identify those acquisitions:

i. currently out for bid,

ii. which have been publicly opened and are under review,

iii. which have been approved for award and are awaiting contract execution, and

iv. which have been executed during the previous month.

**REFERENCE**

Procedures: Procedure for Approval Authority #PR-4

Forms: Notification of Signing Authority
POLICY

The purpose of this policy is to provide guidelines for Low Dollar Value Purchases (up to $5,000) in accordance with the Purchasing Policies with intent to:

1. obtain the highest quality of goods and/or services at the lowest possible price, available at the right time and in the right quantities;
2. acquire goods and/or services required from qualified suppliers in a manner which promotes fair and equitable relationships with all suppliers;
3. purchase within the limits of approved budgets;
4. utilize all online departmental and corporate contracts.

The General Managers and Executive Directors shall appoint staff who will have the delegated authority to purchase goods and/or services directly up to $5,000 in accordance with the Procedures for Low Dollar Value Purchases. This purchasing function has been de-centralized and it is the responsibility of the users to adhere to the Purchasing Policies.

REFERENCE

Procedures: Procedure for Low Dollar Value Purchases #PR-5A
PeopleSoft Financials 8.4 Training Manual
POLICY

For acquisition of goods and/or services with a total purchase price greater than $5,000 but not exceeding a total purchase price of $50,000, the user must utilize all online departmental and corporate contracts.

For purchases where no contract is available, a minimum of three (3) quotations shall be obtained by any method of written communication. For the purpose of this requirement:

a) staff should use the electronic vendor database available through the City Enet to access vendors who have expressed an interest in doing business with the City,

b) bids must be received from three separate vendors,

c) a "No Bid" response is not to be considered as a valid bid unless approved by the Purchasing Section,

d) all bidders must receive the same specification and instruction, and

e) written quotations shall be retained in the departmental files in accordance with Council approved by-laws for records retention.

The quote shall be awarded to the lowest compliant bid. Although a minimum of three bids is required, an open process with more than three bids will be more competitive, and is encouraged.

Centralized purchasing shall assist as requested, or when deemed necessary, with the procurement process. As identified in “Purchasing Services Responsibilities”, these transactions will be reviewed and monitored by Centralized Purchasing to determine where further training and assistance is required. Purchasing will conduct a random audit on an annual basis to ensure the requirements of this policy have been met.

An authorized online purchase requisition shall be initiated and a purchase order and/or formal contract will be created. When the nature of service warrants, in the opinion of the Director of Financial Services, or where the Vendor requires a different form of commitment other than a City Purchase Order, a contract in a form satisfactory to the City Solicitor or designate shall be the form of commitment.

REFERENCE

Procedures: Procedure for Informal Quotations #PR-5B
PeopleSoft Financials V8.4 Training Manual
POLICY

For acquisition of goods and/or services with a total purchase price greater than $50,000 but not exceeding a total purchase price of $100,000, the user must utilize all online departmental and corporate contracts.

For purchases where no contract is available, the formal quotation process must be applied through centralized purchasing. Written quotations shall be obtained, analyzed, the results tabulated and an award shall be determined in accordance with the procedural guidelines. The quote shall be awarded to the lowest bid that meets the required terms, conditions and specifications outlined in the bid document, unless otherwise approved by the Manager of Purchasing.

An authorized online purchase requisition shall be initiated and a purchase order will be created. When the nature of service warrants, in the opinion of the Director of Financial Services, or where the Vendor requires a different form of commitment other than a City Purchase Order, a contract in a form satisfactory to the City Solicitor or designate shall be the form of commitment.

REFERENCE

Procedures:  
Procedure for Formal Quotations #PR-5C
PeopleSoft Financials 8.4 Training Manual
POLICY

For acquisitions of goods and/or services with a total purchase price greater than $100,000, the tender process must be applied through centralized purchasing. The tender process is used for goods and/or services where comprehensive technical specifications are available. All such tenders shall be called, advertised, opened and awarded in accordance with the tendering procedures as determined by the Director of Financial Services. Work shall be awarded based on the lowest bid that meets the required terms, conditions and specifications outlined in the bid document, unless otherwise approved by Council.

An authorized online purchase requisition shall be initiated and a purchase order will be created. When the nature of service warrants, in the opinion of the Director of Financial Services, or where the Vendor requires a different form of commitment other than a City Purchase Order, a contract in a form satisfactory to the City Solicitor or designate shall be the form of commitment.

Exceptions to this policy include:

1. Policy for Emergency Purchasing #10
2. Policy for Negotiations #11
3. Policy for Cooperative Purchasing #12

REFERENCE

Procedures: Procedure for Tenders #PR-5D
PeopleSoft Financials 8.4 Training Manual
POLICY

Where it is not possible to prepare precise specifications in order to issue a request for tender for the provision of goods and services greater than $100,000, or when alternate methods are being sought to perform a certain function or service, a request for proposals shall be issued which will include evaluation criteria and weightings for the criteria. All such proposals shall be called, advertised, opened and awarded in accordance with the procedure for proposals as determined by the Director of Financial Services.

All proposals that meet the required terms, conditions and specifications outlined in the proposal document shall be evaluated based on the evaluation criteria and weightings. The award shall be made to the highest scoring proposal provided that proposal offers the lowest price. However, in cases where the initiating department is not recommending award to the proposal offering the lowest price, the Manager of Purchasing may require a report be issued to Council for approval.

An authorized online purchase requisition shall be initiated and a purchase order will be created. When the nature of service warrants, in the opinion of the Director of Financial Services, or where the Vendor requires a different form of commitment other than a City Purchase Order, a contract in a form satisfactory to the City Solicitor or designate shall be the form of commitment.

Exceptions to this policy include:

4. Policy for Emergency Purchasing #10
5. Policy for Negotiations #11
6. Policy for Cooperative Purchasing #12

REFERENCE

Procedures: Procedure for Proposal #PR-5E
PeopleSoft Financials 8.4 Training Manual
POLICY

Unsolicited proposals received by the City shall be reviewed by the Manager of Purchasing to determine if it is in the best interests of the City to follow a competitive process as outlined by the policies.

Should the Manager of Purchasing determine that the proposal is a unique sole source type offer that warrants further consideration the following shall apply:

1. The Manager of Purchasing shall provide to the proponent a sample document of the City’s minimum standard terms, conditions and requirements. At the same time the Manager of Purchasing shall clearly indicate to the proponent that the City may require additional terms, conditions and requirements in excess of the minimum City requirements provided in the sample document once the proposal has been further evaluated. The Manager of Purchasing will confirm that the proponent recognizes that any agreement that may follow must comply with the City’s minimum standards and conditions.

2. The department shall take forward a report to Committee and Council outlining particulars and seeking direction from Council on the course of action to proceed.

REFERENCE

Procedures: Procedure for Unsolicited Proposals #PR-6
POLICY

Construction contracts must meet the Purchasing Policy requirements and standards. Contracts for construction shall be in accordance with general acquisition practices with the exception that projects over $100,000 will be endorsed in the form of both a purchase order and a formal contract in a form satisfactory to the City Solicitor or designate.

REFERENCE

Policies: Policy for General Acquisition Process #5B-E
Procedures: Procedure for Informal Quotations #PR-5B
Procedure for Formal Quotations #PR-5C
Procedure for Tenders #PR-5D
Procedure for Proposals #PR-5E
Policy for Vendor Performance Evaluation

SECTION 4

POLICY

At the completion of every contract for goods and/or services over $50,000, the user is responsible to complete a Performance Evaluation form. Purchasing will ensure this evaluation is done for contracts issued through the Purchasing Section. The users are encouraged to follow this practice for all contracts regardless of dollar amount, especially where valuable performance appraisals need to be shared with other departments.

Documented poor performance or non-performance on City contracts will be used to determine the eligibility of a bidder to participate on future requirements for the City and eligibility to remain on the Vendor List. Any vendor being excluded from a bidding process due to poor or non-performance will be reported to Council.

Public Works shall be responsible for the vendor performance evaluation process with regard to construction contracts issued under Policy #7 in a format which includes feedback from area residents and elected officials.

REFERENCE

Policies:
- Policy for Vendor List #1

Procedures:
- Procedure for Performance Evaluation #PR-8

Forms:
- Vendor Performance – Incident Reporting Form
- Vendor Performance Evaluation Form
POLICY

The purpose of this policy is to set out guidelines for acquiring Consulting and Professional Services as defined in Section 3, Page 9 of this document and in accordance with the Purchasing Policies. Part 1 will apply to all City departments, Part 2 will apply to Public Works.

PART 1

Consulting and Professional Services shall be acquired in accordance with the general acquisition process where informal/formal quotations or tenders/proposals are required. The department will endeavour to see that individuals and firms providing Consulting and Professional Services have fair access to City assignments. Staff should use the electronic vendor database available through the City Enet to access vendors who have expressed an interest in doing business with the City. The department shall attempt to provide sufficient detail to outline the objective, type and scope of work to be conducted.

PART 2

Part 2 of this policy will apply to the Public Works Department only.

For Consulting and Professional Services with a total purchase price less than $100,000, the General Manager/Executive Director or designate shall award such works by direct appointment through a roster/rotation method. This method allows the City to employ a number of different consultants while matching the particular talents of a consultant to the project needs, in which case Policy #4, Item c, would not apply.

For professional or consulting services with a total purchase price greater than $100,000, the General Manager/Executive Director or designate will follow the formal selection process as outlined in the Procedures for Consulting & Professional Services.

The General Manager/Executive Director shall be responsible to prepare a quarterly review to the City Manager stating all contract awards including consultants used and total cost.

All work completed under this Policy shall be approved in accordance with the Policy for Approval Authority #4, with the exclusion of Item d.

REFERENCE

Procedures: Procedure for Consulting & Professional Services #PR-9
POLICY

The purpose of this policy is to set out guidelines for acquiring goods and/or services when an emergency arises.

When the General Manager/Executive Director has declared an Emergency, goods and/or services shall be acquired by the most expedient and economical means. The Purchasing Section will provide cooperative assistance when requested to expedite any purchasing documents necessary to deal with the Emergency. Any purchase acquisition document issued under such conditions shall be justified and approved by the General Manager/Executive Director of the initiating department. For amounts exceeding $250,000, the General Manager/Executive Director shall issue an information report to the City Manager and to Council at its next scheduled meeting.

Subsequent to the resolution of the Emergency, all transactions require an online requisition to be entered to complete the procurement process. The initiating department shall complete the Request for Use of Negotiation Policy / Emergency Reporting Form and forward it to the Manager of Purchasing.

REFERENCE

Procedures: Procedure for Emergency Purchasing #PR-10
Forms: Request for Use of Negotiation Policy / Emergency Reporting Form
**Policy for Negotiations**

**POLICY**

The purpose of this policy is to set out guidelines for acquiring goods and/or services through the negotiation process. Occasionally when conditions dictate, negotiations for goods or services may be conducted. The Manager of Purchasing must authorize the Request for Use of Negotiation Policy form justifying the need to use this policy prior to City staff entering into any discussions with any vendor. This process may be adopted when any of the following conditions apply:

- a. goods or services are judged to be in short supply due to market conditions;
- b. where there is only one known source for the goods or services (sole source);
- c. when two or more identical bids have been received;
- d. where the lowest bid received meeting specifications is excessive in total cost or substantially exceeds the estimated costs;
- e. when all bids received fail to meet the specifications or tender terms & conditions and it is impractical to recall tenders or quotations;
- f. when a single source is being recommended because it is more cost effective or beneficial for the City;
- g. for the extension of a contract which has expired and unforeseeable circumstances have caused a delay in issuing a new tender/proposal document;
- h. a time-sensitive situation as defined in Section 3 of this Policy, or
- i. for expanded or coordinated works as defined in Section 3 of this Policy.

Negotiations shall be performed in accordance with the Procedure for Negotiations.

**REFERENCE**

Procedures: 
- Procedure for Negotiations #PR-11

Forms: 
- Request for Use of Negotiation Policy / Emergency Reporting Form
THE CITY OF HAMILTON
FINANCE AND CORPORATE SERVICES
PURCHASING SECTION
Policy for Cooperative Purchasing

SECTION 4

POLICY #12
Date Approved: May 26, 2004

POLICY

The City may participate with other government agencies or public authorities in cooperative acquisition ventures when it is in the best interest of the City to do so. The procedures and policies of the agency calling the tender, proposal or quotation will be followed.

Each agency will issue its own contract and is responsible for the remainder of the procurement function (ordering, receiving, inspecting and payment).

Cooperative ventures initiated by departments other than Purchasing will require prior approval of the Manager of Purchasing.

REFERENCE

Procedures: Procedure for Cooperative Purchasing #PR-12
POLICY

The General Manager/Executive Director of the initiating department and the City Manager shall have the authority to execute acquisition contracts on behalf of the City for all awards approved by Council in Policy #4, and any other acquisition award contract where authorization is specifically granted by Council. All legal agreements will follow a format approved by the City Solicitor.

The Director of Financial Services shall have the authority to review the recommendation and ensure that the acquisition process has been carried out in accordance with the purchasing policies and procedures.

REFERENCE

Procedures: Procedure for Authority to Execute Contracts #PR-13
POLICY

Standardization is a management decision-making process that examines a specific common need or requirement and then selects a product or service that best fills that need to become the standard.

Wherever possible, when more than one application exists for any equipment, product or service, a standard will be established.

In such cases where the standardization will result in a single source purchase it shall be at the discretion of the Manager of Purchasing to require the department bring forward a report for Council approval.

REFERENCE

Procedures: Procedure for Standardization #PR-14
POLICY

The purpose of this policy is to set out guidelines for acquiring goods and/or services through the use of City procurement cards. The General Manager / Executive Director / City Manager shall appoint employees who will be authorized to use a procurement card to purchase goods and/or services following sound business practices.

1. The procurement card will be issued once the employee has read, signed and submitted the Procurement Card Agreement Form (see Appendix “B”), to the Procurement Card Administrator, which sets out in writing his or her responsibilities and restrictions regarding the use of the procurement card.

2. All procurement cards issued will have a predetermined “single transaction limit”, a “monthly credit limit” and “blocked commodities” as determined and authorized by the General Manager / Executive Director / City Manager of the applicable department in conjunction with the Director, Financial Services. All procurement cards will be blocked from obtaining cash advances.

3. The program will be administered and audited by the Director, Financial Services or designate, who will maintain a master file of all procurement cards and card limits.

4. The procurement card shall not be used:
   a. when a contract or tender is in effect for the product (unless authorized by the Purchasing Section).
   b. for personal purchases of any nature.
   c. for computer hardware/software (unless authorized by Information Systems).
   d. for long-term lease or rental agreements.
   e. for printing requirements that are required to be handled through the City Communications Department.
   f. when the cost of the goods or services would be significantly increased as a result of using the card and an alternative method of payment is available.
   g. for any purchase of goods or services that may be prohibited under any other policy approved by Council.
5. Vendors will not be rejected as a result of their non-acceptance of procurement cards; however, where pricing is identical, the lowest total acquisition cost may be used in determining the successful vendor.

REFERENCE

Procedures: Procedure for Procurement Cards #PR-15
Forms  Procurement Card Application Form – Appendix “A”
       Procurement Card Agreement Form – Appendix “B”
       Procurement Card Maintenance Form – Appendix “C”
POLICY

The purpose of this policy is to set out guidelines for the disposal of surplus or obsolete goods. The disposal of surplus and obsolete equipment shall be evaluated on a case by case basis. The Director of Financial Services shall have the authority to sell, exchange, or otherwise dispose of goods declared as surplus to the needs of the City, and where it is cost effective and in the best interest of the City to do so, items or groups of items may:

  a. be offered for sale to other departments or public agencies;
  b. be sold by external advertisement, formal request, auction or public sale (where it is deemed appropriate, a reserve price may be established);
  c. be sold or traded to the original supplier or others in that line of business where it is determined that a higher net return will be obtained than following other procedures;
  d. be donated to a non-profit agency;
  e. be recycled; or
  f. in the event that all efforts to dispose of goods by sale are unsuccessful, these items may be scrapped.

This Policy prohibits the sale of such goods to employees, elected officials, or their family members. Family members include those defined by the City’s Code of Conduct Policy No. 7.3 or such other policy currently in force.

An employee who wishes to participate in a public auction, held through an external agency, shall declare their interest in writing to their General Manager/Executive Director who will confirm that no conflict of interest exists.

The Manager of Purchasing shall submit an annual report to the General Manager of Finance and Corporate Services summarizing the disposal of all surplus goods pursuant to this Policy.

REFERENCE

Procedures: Procedure for Disposal of Surplus Goods #PR-16
Forms: Request for Disposal of Surplus Goods
POLICY

Employees of the City shall not have a pecuniary interest, either directly or indirectly, in any contract with the City or with any person acting for the City in any contract for the supply of goods and/or services for which the City pays or is liable, directly or indirectly to pay unless such interest has been declared pursuant to the City’s Code of Conduct Policy No. 7.3 or such other policy currently in force.

Employees of the City are required to declare any pecuniary interest, either direct or indirect, in writing to their General Manager/Executive Director with a copy to the Manager of Purchasing indicating the specific nature of the conflict. Any conflict of interest that cannot be isolated and resolved will be reported to the appropriate Committee of Council.

Members of Council are required to declare any pecuniary interest direct or indirect, and its general nature, which may result in a conflict-of-interest pursuant to the Code of Conduct for Members of Council, By-Law No. 03-301, Appendix “H”, or such other By-Law currently in force.

Any contract with the City, or with any person acting for the City, and any contract for the supply of goods, materials or services to a contractor for work for which the City pays or is liable, directly or indirectly, to pay in which a member of Council or any employee of the City has an undeclared pecuniary interest, directly or indirectly may be voided.

All City staff and others participating in the evaluation of proposals will be required to complete and sign a Conflict of Interest Form.

REFERENCE

Policy: City of Hamilton Code of Conduct Policy No. 7.3 (or such other policy currently in force)

City of Hamilton Code of Conduct for Members of Council By-Law 03-301 (or such other policy currently in force)

Procedure: Procedure for Conflict of Interest #PR-17

Forms: Conflict of Interest Form
POLICY

The City of Hamilton encourages the most open, competitive bidding process for the purchase of goods and/or services required, through clear solicitations for Quotation, Tender or Proposal and the objective and equitable treatment of all vendors.

The City, however, recognizes that mistakes and misunderstandings may occur, vendors may feel aggrieved and be prepared to launch protests over the award of bid contracts. Additionally, disputes may arise during the administration of a contract that cannot be easily resolved.

Vendors who believe they have been treated unfairly can make this known by contacting the Manager of Purchasing who will follow the documented procedure for Vendor Complaint Resolution.

REFERENCE

Procedure: Procedure for Vendor Complaint Resolution #PR-18
Policy for Compliance to Purchasing Policies

SECTION 4

POLICY

An employee who fails to act in accordance with the provisions of the Purchasing Policies and Procedures will be subject to appropriate disciplinary action up to and including termination of employment. City Council, the public, and the business community must have confidence in the integrity of the city employees.

REFERENCE

Procedure: Procedure for Compliance to Purchasing Policies #PR-19
Policy for Review of Purchasing Policies and Procedures

SECTION 4

POLICY

The Corporate Management Team will be provided an annual report recommending any changes to the Purchasing Policies to ensure that the purchasing limits meet the needs and requirements of the City to operate in an efficient and cost effective manner. A report will be issued to Council for approval of the changes, deletions or additions.

Changes to Purchasing Procedures will be approved by the Director of Financial Services and the General Manager of Finance and Corporate Services.

REFERENCE

SCHEDULE “A”

The Ontario Public Buyers Association’s Code of Ethics is based upon the following tenets and all employees who are authorized to purchase goods and/or services on behalf of the City are to adhere to the following.

1. **Open and Honest Dealings With Everyone Who is Involved in the Purchasing Process.** This includes all businesses with which this City contracts or from which it purchases goods and/or services, as well as all members of our staff and of the public who utilize the services of the Purchasing Section.

2. **Fair and Impartial Award Recommendations for All Contracts and Tenders.** This means that we do not extend preferential treatment to any vendor, including local companies. Not only is it **against the law**, it is not good business practice, since it limits fair and open competition for all vendors and is therefore a detriment to obtaining the best possible value for each tax dollar.

3. **An Irreproachable Standard of Personal Integrity on the Part of All Those Designated as Purchasing Representatives for This City.** Absolutely no gifts or favours are accepted by the purchasing representatives of this City in return for business or the consideration of business. Also, the purchasing representatives of this City do not publicly endorse one company in order to give that company an advantage over others.

4. **Cooperation With Other Public Agencies in Order to Obtain the Best Possible Value for Every Tax Dollar.** This City is a member of a cooperative purchasing group. Made up of several public agencies, this group pools its expertise and resources in order to practise good value analysis and to purchase goods and/or services in volume and save tax dollars.
Items listed below are exempt from the requirements of the Purchasing Policies, save and except for Policy #4, Approval Authority. Orders for payment listed in Item 1.h) Insurance Claims, Legal Settlements and Arbitration Awards will have the appropriate approvals from the department initiating the request in place of those approvals in Policy #4.

1. Employer’s General Expenses
   
   a) Insurance Premiums  
   b) Payroll Deduction Remittances  
   c) Debt payments  
   d) Grants and Levies  
   e) Tax Remittances  
   f) Licenses (vehicles, elevators, radios, etc.)  
   g) Real Property payments including Land, Buildings, Leasehold Interest, Easements, Encroachments and Licenses, or the like.  
   h) Insurance Claims, Legal Settlements and Arbitration Awards  
   i) Travel Expenses (see note below)  
   j) Other employee related expenses such as memberships in professional organizations, staff attendance of seminars, workshops, conferences, etc.

2. Professional Services
   
   a) Human Resources Services, ie outplacement, temporary employment, confidentiality, etc.  
   b) Employee training, facilitators, speakers, etc.  
   c) Medical Professional Services  
   d) Expert Witnesses  
   e) Outside Legal Counsel

   NOTE: An annual report will be issued to Council by the Director, Legal Services and Corporate Counsel detailing all contract awards for outside legal counsel.

3. Special Services
   
   a) Community Service Providers (Daycare, Lodging Homes, Nursing, Homemakers)  
   b) Appraisers  
   c) Committee Fees

4. Utilities
   
   a) Electricity  
   b) Postal Services  
   c) Water  
   d) Natural Gas  
   e) Communications, ie telephone, cable, media, advertising etc.

5. Government Bodies: Federal, Provincial or Municipalities.

   NOTE: See Travel and Tuition Policies for refundable employee expense.
An electronic database of vendors who have submitted an electronic bidders’ application form will be maintained by Purchasing which will assist in:

1. Arranging Bidders’ Applications in a practical and user friendly system through defined categories.


3. Fair and equitable treatment of all vendors who wish to do business with the City through notification of relevant bid opportunities.

The database may be accessed by all City staff who have delegated authority to obtain quotes for goods/services up to $50,000.


b) Click on the link displayed as “Search for vendors by commodity”.

c) Select the appropriate category by placing a checkmark in the box next to the selection and click Search.

d) This page may be printed for notes and reference.

REFERENCE

Policies: Policy for Vendor List #1

Forms: Bidder’s Application Form (electronic version)
<table>
<thead>
<tr>
<th>SECTION 5</th>
<th>PROCEDURE #PR-2</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Date Approved: May 26, 2004</td>
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</tbody>
</table>

Refer to Policy #2, as defined.

**REFERENCE**

Policies: Policy for Pre-Qualification of Acceptable Bidders #2
Refer to Policy #3, as defined.

REFERENCE

Policies: Policy for Specifications #3
All acquisitions must have the appropriate approval authority as directed by Policy #4, Policy for Approval Authority. A purchase requisition must be entered in PeopleSoft to support all acquisitions over $5,000 other than those exceptions listed in Schedule B, Recurring or Non-Competitive Expenditures. The Purchasing Section is responsible to ensure that the requirements of the Policies have been met before creating and releasing any purchase order.

**PROCEDURE**

**Council** must approve:

1. The funding source for purchases greater than $250,000 through the annual current or capital budget.

2. Reports issued by the initiating department for any tender or proposal award where required by Policy #4, Approval Authority, Item 1.

A monthly information report is issued to Council by the Director of Financial Services detailing award of all tenders and proposals over $100,000.

**City Manager** or designate must approve purchases greater than $100,000 by:

1. Executing the necessary requisition approval through the workflow system in PeopleSoft for acquisitions, ensuring sufficient documentation is included to demonstrate compliance with the Policies and Procedures.

2. An authorized signature applied directly to an invoice being paid direct (for those exceptions listed in Schedule B, Recurring or Non-Competitive Expenditures) including the appropriate department and cost centre.

**General Managers and Executive Directors** or designate must approve purchases up to $100,000 by:

1. Executing the necessary requisition approval through the workflow system in PeopleSoft for acquisitions, ensuring sufficient documentation is included to demonstrate compliance with the Policies and Procedures. A pre-requisition form must be maintained in the departmental files which bears an authorized signature.
2. An authorized signature applied directly to an invoice being paid direct (for those exceptions listed in Schedule B, Recurring or Non-Competitive Expenditures) including the appropriate department and cost centre.

Anyone with requisitioner authority in PeopleSoft shall approve acquisitions less than $5,000. These duties shall be performed in compliance with Policy #5A, Low Dollar Value Purchases (up to $5,000). The General Managers and Executive Directors or designates at any time may run a report through a PeopleSoft query which documents these purchases.

REFERENCE

Policies: Policy for Approval Authority #4
Reference: Notification of Signing Authority
Procedure for Low Dollar Value Purchases (up to $5,000)

SECTION 5  PROCUREMENT #PR-5A

Date Approved: May 26, 2004

This purchasing method refers to the direct ordering of goods and/or services from a vendor of a low dollar value where the cost and administrative burden of other methods of purchase may be equal to or greater than the price or value of those purchased. Users are encouraged to use their judgment to promote the objective of the Policies in any direct purchase. If in doubt about a vendor’s offer, the user should request at least one additional quote from another vendor, if possible. Users shall consider the most cost efficient and effective price, including but not limited to, delivery, installation, warranty, life cycle cost, operating and disposal costs.

PROCEDURE

There are three methods of purchasing low dollar value goods and/or services under $5,000.

METHOD 1

For departmental and corporate contracts, which have been entered in the item file in PeopleSoft, the user shall enter an online requisition to initiate an order to the approved vendor.

1.1 The procedure for item file ordering is detailed in the Requisitioner Training Guide, PeopleSoft Financials 8.4 Training Manual.

1.2 The assigned Buyer will create a purchase order, which is sent to the vendor for direct shipment to the user department.

1.3 Upon receipt and verification of order, the user will acknowledge receiving goods/services in the PeopleSoft program as outlined in the Requisitioner Training Guide, PeopleSoft Financials 8.4 Training Manual.

1.4 Accounts Payable will proceed to process payment upon receipt of the vendor’s invoice.

METHOD 2

To order goods and/or services under $5,000, which are not covered by a departmental or corporate contract, the requisitioner may order direct from a qualified vendor providing the best value for the purchase taking into consideration the criteria outlined in Policy #5A, Items 1 through 4. The Purchasing Section will provide assistance upon request.
2.1 An online requisition may be entered according to the procedure detailed in Requisitioner Training Guide, PeopleSoft Financials 8.4 Training Manual.

2.2 The assigned Buyer will create a purchase order, which is sent to the vendor for direct shipment to the user department.

2.3 Upon receipt and verification of order, the user will acknowledge receiving goods/services in the PeopleSoft program as outlined in the Requisitioner Training Guide, PeopleSoft Financials 8.4 Training Manual.

2.4 Accounts Payable will proceed to process payment upon receipt of the vendor’s invoice.

2.5 Invoices under $5,000 may be paid direct by noting the account distribution and having the necessary authorized signature.

METHOD 3

The user may purchase goods and/or services using a procurement card in accordance with the Policy for Procurement Cards #15 and the Procedure for Procurement Cards #PR-15.

In deciding which of the General Acquisition Processes will be used, the department shall consider the total requirement budgeted on an annual basis. Purchases shall not be split to avoid the conditions of the policies.

INSURANCE REQUIREMENTS

The initiating department must verbally inquire of the vendor providing services to the City that the vendor carries Comprehensive General Liability Insurance and WSIB coverage. Vendors who disclose they lack insurance or WSIB coverage should not be performing services for the City. The Purchasing Section shall offer advice upon request.

REFERENCE

Policies: Policy for Low Dollar Value Purchases (up to $5,000) #5A
         Policy for Procurement Cards #15
Procedures: Procedure for Procurement Cards #PR-15
Reference: PeopleSoft Financials 8.4 Training Manual
For acquisition of goods and/or services with an estimated total purchase price greater than $5,000, but not exceeding $50,000, the user department shall obtain informal quotations. The Purchasing Section will assist as requested, or when deemed necessary, with the procurement process.

PROCEDURE

1. For departmental and corporate contracts, including those that have been entered in the item file in PeopleSoft, the user shall enter an online requisition to initiate an order to the approved vendor. The procedure for requisitioning is detailed in the Requisitioner Training Guide, PeopleSoft Financials 8.4 Training Manual.

2. For goods and/or services not covered under contract, the user will obtain a minimum of three quotations by any method of written communication and the results will be analyzed and tabulated to determine the award.

3. The process is undertaken based on clear definition of the product or service required, and a clear outline of the review and criteria to be evaluated. The decision to choose the low bidder will be based solely on the requirements as documented, the bidder's submission, and the application of the review criteria.

4. In order to assist in cross-training, enable multiple bidders to understand the process requirements, and ensure that legal and insurance risks are controlled, standard formats should be followed for Requests for Quotation. These formats will be supplied by the Purchasing Section, Risk Management and Legal Services and will be updated as appropriate.

5. The purchase will be supported by an online requisition, authorized through workflow by the General Manager or designate, according to the procedure detailed in the Requisitioner Training Guide, PeopleSoft Financials 8.4 Training Manual. The assigned Buyer will create a purchase order, which is sent to the vendor for direct shipment to the user department.

6. Upon receipt and verification of order, the user will acknowledge receiving goods/services in the PeopleSoft program as outlined in the Requisitioner Training Guide, PeopleSoft Financials 8.4 Training Manual.

7. The comments screen on the electronic requisition shall include supporting documentation, including all bid results and subsequent analysis used for the award.
8. Accounts Payable will proceed to process payment upon receipt of the vendor's invoice.

These transactions will be reviewed and monitored by the Purchasing Section to determine where further training and assistance is required. Purchasing will conduct a random audit on an annual basis to ensure the requirements of this policy have been met.

In deciding which of the General Acquisition Processes will be used, the department shall consider the total requirement budgeted on an annual basis. Purchases shall not be split to avoid the conditions of the policies.

**INSURANCE REQUIREMENTS**

The initiating department is responsible to ensure that those vendors providing services to the City of Hamilton have the necessary insurance and WSIB requirements and that the documentation has been received prior to the commencement of any work being performed. The initiating department is responsible to ensure that the insurance documentation provided by the vendor is in force and maintained for the length of the service or contract having regard to the expiry dates of the insurance policies.

The minimum amount of Public Liability and Property Damage Insurance shall be $2,000,000 each occurrence, however, it may be necessary to increase this limit for contracts where it is determined that a higher risk is involved. The contractor shall also maintain such Fire & Theft Insurance, including dishonesty of any employees or agents hired by the contractor, as will provide adequate coverage for the loss by burglary, fire or theft of any stock or equipment of the contractor’s upon city premises.

The Purchasing Section shall be contacted for assistance where insurance requirements are unclear.

**REFERENCE**

Policies: Policy for Informal Quotations ($5,000 - $50,000) #5B
Reference: PeopleSoft Financials 8.4 Training Manual
For acquisition of goods and/or services with an estimated total purchase price greater than $50,000 but not exceeding $100,000, the formal quotation process must be applied through the Purchasing Section.

**PROCEDURE**

1. For departmental and corporate contracts, including those that have been entered in the item file in PeopleSoft, the user shall enter an online requisition to initiate an order to the approved vendor. The procedure for requisitioning is detailed in the Requisitioner Training Guide, PeopleSoft Financials 8.4 Training Manual.

2. For goods and/or services not covered under contract, the user will contact the Purchasing Section to discuss requirements and time schedule.

3. The initiating department shall be responsible for the preparation of the specifications, in an electronic format (preferably in Corporate standard software), and to provide them to the Purchasing Section. The requirements and specifications will be supplied to potential bidders in writing to facilitate the evaluation process. The Purchasing Section will obtain formal written quotations and the results will be analyzed and tabulated to determine the award.

4. All formal quotations shall be advertised on the City of Hamilton website under the Purchasing Section.

5. An online requisition will be entered and authorized through workflow by the General Manager or designate, according to the procedure detailed in the Requisitioner Training Guide, PeopleSoft Financials 8.4 Training Manual. The designated buyer will create a purchase order, which is sent to the vendor for direct shipment to the user department. The designated buyer will include comments on the purchase order detailing the bid document reference number and other information required. When the nature of service warrants, or where the vendor requires a different form of commitment other than a City purchase order, a contract in a form satisfactory to the Manager of Purchasing and/or the City Solicitor or designate shall be the form of commitment.

6. Upon receipt and verification of order, the user will acknowledge receiving goods/services in the PeopleSoft program as outlined in the Requisitioner Training Guide, PeopleSoft Financials 8.4 Training Manual.

7. Accounts Payable will proceed to process payment upon receipt of the vendor's invoice.
In deciding which of the General Acquisition Processes will be used, the department shall consider the total requirement budgeted on an annual basis. Purchases shall not be split to avoid the conditions of the policies.

The Purchasing Section is responsible for obtaining any necessary insurance documentation that may be required.

REFERENCE

Policies: Policy for Formal Quotations ($50,000 - $100,000) #5C
Reference: PeopleSoft Financials 8.4 Training Manual
PROCEDURE

For acquisition of goods and/or services where the estimated total purchase price is greater than $100,000, the formal tender process must be applied through the Purchasing Section. The tendering process is used for goods and/or services where comprehensive technical specifications are available, and is generally awarded on the basis of the lowest price meeting all tender requirements. The initiating department is required to report where project budget exists and when it was approved.

1.0 Bid Preparation

1.1 The initiating department contacts the Purchasing Section to relay requirements and timelines by completing Part 1 of the “Request for Tender/Proposal” form found at S:\Corporate Services\Finance\Fin\Purchasing\Purchasing Forms. For recurring tenders, the Purchasing Section will contact the initiating department when contracts are ready for renewal.

1.2 The initiating department shall be responsible for the preparation of the specifications, in an electronic format (preferably in Corporate standard software), and to provide them to the Purchasing Section. All specifications must be approved and forwarded by the departmental director.

1.3 The Manager of Purchasing shall approve the final tender document.

2.0 List of Bidders

2.1 The Purchasing Section shall prepare a list of potential bidders from:
   a. a previous bid,
   b. the electronic vendor database,
   c. departmental recommendations, and
   d. any other sources available through the Purchasing Section.

2.2 The Purchasing Section shall endeavour to notify these bidders by transmitting a facsimile message to the general company number when documents are available for pick up.

3.0 Advertising

3.1 All tenders (over $100,000) shall be advertised in the Hamilton Spectator in the “At Your Service” section and on the City of Hamilton website under the Purchasing Section.
3.2 The notice shall identify the City in full and include:
- contract number and a general description of the contract
- location of performance of contract
- where tender documents may be secured
- date and time of closing
- official recipient and place for the receipt of tenders
- time and place for the tender opening
- cost (if any) for obtaining the documents

3.3 All tenders shall include a two (2) week closing period unless otherwise approved by the Manager of Purchasing.

4.0 Bid Issuance

4.1 When bid documents are issued to bidders, information such as company name, address, contact name, phone and fax numbers are maintained on file for notification and distribution of any addenda.

4.2 All prospective bidders must purchase a bid document for the non-refundable fee specified in the document.

5.0 Tender Addenda

5.1 Questions about the tender should be addressed to the Purchasing Section to ensure that questions are handled in a consistent manner and to determine if an addendum is required. All communication shall be in writing to the contact person in the Purchasing Section. When it becomes necessary to revise, delete, substitute or add to tendering material for a tender under call, the Purchasing Section shall issue an addendum.

5.2 The Purchasing Section shall forward each addendum by facsimile transmission to the number given when tender documents were picked up. A copy of the addendum shall also be attached to each tender form not yet distributed.

5.3 If an addendum is prepared too late to allow proper notification prior to closing time (generally 48 hours) and it is impractical to extend the closing time for bid acceptance, each prospective bidder must be notified of the revision by telephone and confirmed by facsimile transmission. The closing date will be extended as deemed necessary by the Purchasing Section in conjunction with the initiating department.

5.4 Where it is deemed necessary to extend the closing date, any tender already submitted will be returned to the bidder upon written request, or if the vendor indicates the bid may stand “as is”, the Purchasing Section shall secure a signed form from the vendor stating this which will be attached to the tender envelope prior to time and date of closing.

5.5 Where it is deemed necessary by the Purchasing Section to cancel a tender call, all tenders received shall be returned unopened to the bidder.
6.0 Receiving of Bids

6.1 It is the responsibility of the bidder to ensure the delivery of the bid to the location specified in the bid document before the date and time specified for closing.

6.2 When bids are received, the sealed envelope shall be time and date stamped, and placed in the tender lock box.

6.3 The official closing time for bids is stipulated in the bid document. A bid will not be accepted at the counter after the closing time specified unless otherwise approved by the Director of Finance or the Manager of Purchasing. If a bid is received after the official closing time through the mail, it shall be returned unopened, with a covering letter stating that it could not be accepted due to late arrival.

**NOTE**: If a late bid is received without a return address on the envelope, it shall be opened by the buyer responsible, address obtained and then returned. The covering letter should state why the envelope was opened.

7.0 Withdrawal of Tenders

7.1 A tender shall be returned unopened to the bidder upon receipt of a withdrawal request made before the closing time for the contract to which it applies. Withdrawal requests must be in writing on company letterhead, directed to the Manager of Purchasing, by mail, facsimile transmission or presented in person and shall have the signature of an authorized signing officer. Telephone requests will not be considered.

7.2 Withdrawal notices received after the contract closing time will not be allowed. The City shall inform the bidder that the withdrawal request arrived too late for consideration.

7.3 The withdrawal of a tender does not disqualify a bidder from submitting another tender on the same contract before the date and time specified for closing.

8.0 Opening of Bids

8.1 Tender openings for all contracts will be open to the public, unless otherwise specified in the tender document, and will be conducted under the direction of the Manager of Purchasing or appointed designate. The opening shall include two (2) representatives from the City, which may include a representative from the initiating department.

8.2 After the official closing time, a purchasing representative shall open the tender lock box and remove and sort the bids by bid number. Any bid that does not have the appropriate bid number on the label shall be opened, the bid number noted and initialled on the envelope, and placed in the appropriate group.

8.3 Unless otherwise stated in the tender document, the designated official shall announce the contract number and title, the name of the bidder and the total contract price line so indicated on the Form of Tender.
8.4 If two separate submissions are received from the same company, each submission will be considered to “stand alone” and must include all requirements specified in the tender document.

9.0 Checking Tenders

9.1 The purpose in checking tenders is to determine that:
   a. all tendering requirements have been met;
   b. all unit prices have been correctly extended;
   c. the extensions have been correctly totalled.

   The unit prices shall be considered accurate. If an extension or total is incorrect, the buyer shall cross out the incorrect figure shown on the tender form, enter the correct figure in red ink above it and initial the entry.

9.2 The buyer shall prepare a record, recording the name of each bidder and the amount of the bid.

9.3 The City reserves the right to consider any tender that may contain minor irregularities; however, tenders which do not conform to specified tender requirements shall be rejected (refer to Purchasing Guidelines Regarding Bid Irregularities “Schedule C”). Rejected bids will be noted as such on the bid record and shall note the bidder’s name only, no bid amount shall be recorded.

9.4 The City reserves the right to contact any tenderer for assistance in clarifying the bid document without any further obligation.

10.0 Bid Deposits

10.1 All bid deposit cheques will be retained by the City until such time an award is made. These cheques will be stored in a lock box maintained in the Purchasing Section. Once an award has been made, bidders will be notified by telephone that the cheques may be picked up at the location the tender was received.

10.2 A tender deposit cheque will be cashed as noted in Item 15.0 Action When Successful Bidder Does Not Finalize Contract.

11.0 Bid Award

11.1 After the bids are evaluated, analyzed and approved by the initiating department, the contract shall be awarded and the buyer shall notify the successful bidder that his tender has been accepted. The acceptance of the tender and award of the contract shall be carried out as soon as possible.

11.2 If circumstances arise such as, but not limited to, those outlined in the Policy for Negotiations #11, the Purchasing Section will proceed to either:
   a. follow the Procedure for Negotiation #PR-11,
   b. notify the bidder(s) that the contract will be re-tendered,
   c. cancel the contract entirely.
12.0 Execution of Contract

12.1 When the tender has been accepted, and a formal contract agreement is deemed necessary, the document shall be forwarded by City staff to the contractor for execution. The contractor shall be allowed ten (10) working days, or as specified, from the date of mailing of the agreement, to return the executed contract and all other required documentation.

13.0 Action on Acceptance of Contract

13.1 As soon as copies of the executed contract are returned and found acceptable, including required bonds and other necessary insurance and WSIB documentation, all tender deposit cheques shall be returned to the Bidders. Tender deposits issued in the form of a bond will not be returned unless requested by the tenderer.

14.0 Bond Requirements

14.1 The City shall secure, where required by the tender documents, a performance bond, materials payment bond, or maintenance bond.

i. A performance bond shall be issued by an approved bonding company or in the form of an irrevocable letter of credit, cash or certified cheque which will be deposited in the City’s designated refundable account. The successful bidder shall furnish the bond when the contract agreement is executed.

ii. When a labour and materials payment bond is required, it shall be in a form as approved by the City, normally to a minimum of 50% of the total tender price, and is required when the contract agreement is signed.

iii. When a maintenance bond is required, it shall be in a form as approved by the City, normally in the amount of 100% of the total tender price, and is required when the contract agreement is signed.

15.0 Action When Successful Bidder Does Not Finalize Contract

15.1 If the low Bidder has made it known in writing that they will not execute the contract or if a contract has been awarded and the successful bidder fails to sign the contract and/or provide the required documentation satisfactory to the City within the specified time, the City may:

a. grant minimal additional time to fulfil the necessary requirement.
b. proceed to follow the necessary steps in awarding the contract to the next lowest bidder.
c. cancel the contract.

15.2 If a tender deposit was required, the low bidder shall forfeit their deposit and the City may at its discretion claim damages as appropriate. The Manager of Purchasing shall confer with the City Solicitor or designate prior to proceeding with claims for damages.
15.3 If no tender deposit was required for the contract and the successful bidder fails to provide the required securities or fails to enter into a contract or fails to perform the contract, the City may at its discretion claim damages as appropriate. The Manager of Purchasing shall confer with the City Solicitor or designate prior to proceeding with claims for damages for out of pocket expenses. The Bidder may be prohibited from bidding on future City contracts for a period of up to five (5) years.

16.0 PeopleSoft Processing

16.1 A representative from the department, who has access to PeopleSoft, will enter an online requisition, authorized through workflow by the General Manager or designate, according to the procedure detailed in the Requisitioner Training Guide, PeopleSoft Financials 8.4 Training Manual. The assigned buyer will create a purchase order.

16.2 If items have been entered in the item file, the user department will enter an online requisition as goods/services are required, authorized through workflow as and when required, according to the procedure detailed in the Requisitioner Training Guide, PeopleSoft Financials 8.4 Training Manual.

16.3 Upon receipt and verification of order, the user will acknowledge receiving goods/services in the PeopleSoft program as outlined in the Requisitioner Training Guide, PeopleSoft Financials 8.4 Training Manual.

16.4 The comments screen on the electronic purchase order shall include supporting documentation.

16.5 Accounts Payable will proceed to process payment upon receipt of the Vendor’s invoice.

17.0 Bid Results

17.1 The name of the successful bidder and the total contract price as indicated on the Form of Tender shall be deemed public information following the award of the contract, however, unit prices will not be disclosed. All submissions are subject to the provisions of the Municipal Freedom of Information and Privacy Act.

REFERENCE

Policies: Policy for Tenders (over $100,000) #5D
Reference: PeopleSoft Financials 8.4 Training Manual
Forms: Request for Tender/Proposal Form
PROCEDURE

The formal tendering process may be waived and a request for proposals issued when goods and/or services cannot be sufficiently specified or when alternate methods are being sought to perform a certain function or service. The role of the Purchasing Section is to ensure that each step of the process is followed and is conducted in a fair and ethical manner that can be defended, if challenged.

1.0 Selecting an Evaluation Committee

1.1 The user department shall appoint appropriate members to participate on the Evaluation Committee during the proposal process. The members should have specific knowledge in the area of the proposal, be aware of their responsibilities and time commitments, and declare any conflicts of interest by completing the Conflict of Interest form before committing to participate. A practical size for an Evaluation Committee is usually 3 to 5 people. Depending on the complexity, there may be members from outside the City that would be invited to participate. If possible, a representative from the Purchasing Section will be involved in the committee.

2.0 List of Proponents

2.1 The Purchasing Section shall prepare a list of potential proponents from:
   a. any previous proposal of a similar nature,
   b. the electronic vendor database,
   c. departmental recommendations, and
   d. any other sources available through the Purchasing Section.

2.2 The Purchasing Section shall endeavour to notify these proponents by transmitting a facsimile message to the general company number when documents are available for pick up.

3.0 Preparing the Request for Proposal Document

The initiating department contacts the Purchasing Section to relay requirements and timelines by completing Part 1 of the “Request for Tender/Proposal” form found at S:\Corporate Services\Finance\Fin\Purchasing\Purchasing Forms. The initiating department prepares the background information regarding the project and the terms of reference. The evaluation committee and purchasing representative shall together be responsible for drafting the RFP including the specifications and the evaluation criteria and its weighting.
4.0 Advertising

4.1 All proposals (over $100,000) shall be advertised in the Hamilton Spectator in the "At Your Service" section and on the City of Hamilton website under the Purchasing Section.

4.2 The notice shall identify the City in full and include:
   - contract number and a general description of the requirements
   - where proposal documents may be secured
   - date and time of closing
   - official recipient and place for the receipt of proposals
   - time and place for the proposal opening

4.3 All proposals shall include a two (2) week closing period unless otherwise approved by the Manager of Purchasing. Depending on the complexity of the project, the closing time period may be increased.

4.4 When proposal documents are issued to bidders, information such as company name, address, contact name, phone and fax numbers are maintained on file for notification and distribution of any addenda.

5.0 Bidders’ Meeting

5.1 Bidders’ meetings are occasionally held for a complex proposal where extensive background information or a site tour is required. This meeting may either be mandatory or just for information purposes, but the notification of meeting must be included in the original advertisement (if there is one) and in the RFP document. If the bidders’ meeting is mandatory, then only the bidders who attend this meeting will be permitted to submit a proposal.

5.2 Questions about the proposal should be addressed to the Purchasing Section to ensure that questions are handled in a consistent manner and to determine if an addendum is required. All communication shall be in writing to the contact person in the Purchasing Section.

6.0 Proposal Addenda

6.1 When it becomes necessary to revise, delete, substitute or add to proposal material for a proposal under call, the Purchasing Section shall issue an addendum.

6.2 The Purchasing Section shall forward each addendum by facsimile transmission to the number given when proposal documents were picked up. A copy of the addendum shall also be attached to each proposal document not yet distributed.

6.3 If an addendum is prepared too late to allow proper notification prior to closing time (generally 48 hours), each prospective bidder must be notified of the revision by telephone and confirmed by facsimile transmission, and the closing date may be extended as deemed necessary by the Purchasing Section in conjunction with the initiating department.
6.4 Where it is deemed necessary to extend the closing date, any proposal already submitted will be returned to the bidder upon written request on their company letterhead which is signed by an authorized signing officer of the company. Where it is deemed necessary to extend the closing date, any proposal already submitted will be returned to the proponent upon written request, or if the proponent indicates the proposal may stand “as is”, the Purchasing Section shall secure a signed form from the proponent stating this which will be attached to the proposal envelope prior to time and date of closing.

6.5 Where it is deemed necessary by the Purchasing Section to cancel a proposal call, all proposals received shall be returned unopened to the proponents with a covering letter.

7.0 Receiving of Proposals

7.1 It is the responsibility of the bidder to ensure the delivery of the proposal to the location specified in the document before the date and time specified for closing.

7.2 When proposals are received, the sealed envelope shall be time and date stamped, and placed in the tender lock box.

7.3 The official closing time for proposals is stipulated in the document. A proposal will not be accepted at the counter after the closing time specified unless otherwise approved by the Director of Finance or the Manager of Purchasing. If a proposal is received after the official closing time through the mail, it shall be returned unopened, with a covering letter stating that it could not be accepted due to late arrival.

NOTE: If a late proposal is received without a return address on the envelope, it shall be opened by the buyer responsible, address obtained and then returned. The covering letter should state why the envelope was opened.

8.0 Withdrawal of Proposals

8.1 A proposal shall be returned unopened to the bidder upon receipt of a withdrawal request made before the closing time for the contract to which it applies. Withdrawal requests must be in writing on company letterhead, directed to the Manager of Purchasing, by mail, facsimile transmission or presented in person and shall have the signature of an authorized signing officer. Telephone requests will not be considered.

8.2 Withdrawal notices received after the proposal closing time will not be allowed. The City shall inform the bidder that the withdrawal request arrived too late for consideration.

8.3 The withdrawal of a proposal does not disqualify a bidder from submitting another proposal on the same contract before the date and time specified for closing.
9.0 Opening of Proposals

9.1 Proposal openings will be open to the public and will be conducted under the direction of the Manager of Purchasing or appointed designate. The opening shall include two (2) representatives from the City, which may include a representative from the initiating department.

9.2 After the official closing time, a Purchasing representative shall open the tender lock box and remove and sort the bids by bid number. Any bid that does not have the appropriate bid number on the label shall be opened, the bid number noted and initialled on the envelope, and placed in the appropriate group.

9.3 The designated official shall announce the contract number and title and the name of the bidder. Bid amounts are generally not disclosed unless otherwise specified in the proposal document.

9.4 If two separate proposals are received from the same company, each submission will be considered to “stand alone” and must include all requirements specified in the proposal document.

10.0 Review Of Proposals

10.1 At the close of the proposal call, the City will examine all eligible proposals.

10.2 The City, at its sole discretion, may clarify any aspect of any proposal with any proponent at any time. Any such clarification will not alter the proposal and will not constitute negotiation or re-negotiation of the total price of goods and/or services to be supplied or performed as set out in the proposal at the close of the proposal call.

10.3 The City's right to clarify includes the right to request additional or missing information. The purpose of such clarification is to enable the City to determine whether the bidder's proposal complies with the RFP. The right of clarification is within the sole, complete and unfettered discretion of the City and may or may not be exercised by the City at any time and in respect to any or all proposals. The right to clarify does not impose upon the City a requirement to clarify any part of a proposal where the proposal is deficient or otherwise not acceptable in any aspect.

10.4 Review of its proposal with any bidder shall not obligate the City to enter into a contract with such bidder, and shall not constitute an acceptance of any bidder's proposal.

10.5 The evaluation committee reviews and rates each proposal against the pre-set evaluation criteria, not against the other proposals. At this point a bid award may be made.

10.6 For more complicated results, the top ranking proposals may determine a short-list of bidders, who may be selected for an interview. Prior to the interviews, the evaluation committee establishes the criteria for evaluating the interviews.
11.0 Bid Deposits

11.1 All bid deposit cheques will be retained by the City until such time an award is made. These cheques will be stored in a lock box maintained in the Purchasing Section. Once an award has been made, bidders will be notified by telephone that the cheques may be picked up at the location the proposal was received.

11.2 The tender deposit cheques that are retained shall not be cashed, except as noted in Item 15.0 Action When Successful Bidder Does Not Finalize Contract. These cheques will be stored in a lock box maintained in the Purchasing Section.

12.0 Bid Award

12.1 After the proposals are evaluated, analyzed and approved by the initiating department, the contract shall be awarded and the buyer shall notify the successful bidder that his proposal has been accepted. The acceptance of the proposal and award of the contract shall be carried out as soon as possible.

12.2 If circumstances arise such as, but not limited to, those outlined in the Policy for Negotiations #11, the Purchasing Section will proceed to either:
   a. follow the Procedure for Negotiation #PR-11.
   b. notify the bidder(s) that the contract will be re-issued.
   c. cancel the contract entirely.

13.0 Execution of Contract

13.1 When the proposal has been accepted, and a formal contract agreement is deemed necessary, the document shall be forwarded by City staff to the proponent for execution. The proponent shall be allowed ten (10) working days, or as specified, from the date of mailing of the agreement, to return the executed contract and all other required documentation.

14.0 Action on Acceptance of Contract

14.1 As soon as copies of the executed contract are returned and found acceptable, including required bonds and other necessary insurance and WSIB documentation, all bid deposit cheques shall be returned. Bid deposits issued in the form of a bond will not be returned unless requested by the bidder.

15.0 Bond Requirements

15.1 The City shall secure, where required by the proposal documents, a performance bond, materials payment bond, or maintenance bond. A performance bond shall be issued by an approved bonding company or in the form of an irrevocable letter of credit, cash or certified cheque which will be deposited in the City’s designated refundable account. The successful bidder shall furnish the bond when the contract agreement is executed.
i. When a labour and materials payment bond is required, it shall be in a form as approved by the City, normally to a minimum of 50% of the total proposal price, and is required when the contract agreement is signed.

ii. When a maintenance bond is required, it shall be in a form as approved by the City, normally in the amount of 100% of the total proposal price, and is required when the contract agreement is signed.

16.0 Action When Successful Bidder Does Not Finalize Contract

16.1 If the low Bidder has made it known in writing that they will not execute the contract or if a contract has been awarded and the successful proponent fails to sign the contract and/or provide the required documentation satisfactory to the City within the specified time, the City may:
   a. grant minimal additional time to fulfil the necessary requirement.
   b. cancel the contract.
   c. proceed to follow the necessary steps in awarding the contract to the next lowest bidder.

16.2 If a proposal deposit was required, the low bidder shall forfeit their deposit and the City may at its discretion claim damages as appropriate. The Manager of Purchasing shall confer with the City Solicitor or designate prior to proceeding with claims for damages.

16.3 If no proposal deposit was required for the contract and the successful bidder fails to provide the required securities or fails to enter into a contract or fails to perform the contract, the City may at its discretion claim damages as appropriate. The Manager of Purchasing shall confer with the City Solicitor or designate prior to proceeding with claims for damages for out of pocket expenses. The Bidder may be prohibited from bidding on future City contracts for a period of up to five (5) years.

17.0 PeopleSoft Processing

17.1 A representative from the department, who has access to PeopleSoft, will enter an online requisition, authorized through workflow by the General Manager or designate, according to the procedure detailed in the Requisitioner Training Guide, PeopleSoft Financials 8.4 Training Manual. The assigned buyer will create a purchase order.

17.2 If items have been entered in the item file, the user department will enter an online requisition as goods/services are required, authorized through workflow as necessary, according to the procedure detailed in the Requisitioner Training Guide, PeopleSoft Financials 8.4 Training Manual.

17.3 Upon receipt and verification of order, the user will acknowledge receiving goods/services in the PeopleSoft program as outlined in the Requisitioner Training Guide, PeopleSoft Financials 8.4 Training Manual.

17.4 Accounts Payable will process payment upon receipt of the vendor’s invoice.
18.0 Bid Results

18.1 The name of the successful bidder and the total contract price as indicated on the Form of Proposal shall be deemed public information following the award of the contract, however, unit prices will not be disclosed. All submissions are subject to the provisions of the Municipal Freedom of Information and Privacy Act.

REFERENCE

Policies: Policy for Proposals (over $100,000) #5E
Reference: PeopleSoft Financials 8.4 Training Manual
Forms: Request for Tender/Proposal Form
Refer to Policy #6, as defined.

REFERENCE

Policies: Policy for Unsolicited Proposals #6
Refer to Policy #7, as defined.

**REFERENCE**

Policies: Policy for Construction Contracts #7
PROCEDURE

The Purchasing Section has developed a process for managing vendor performance in conjunction with Policy #1, Vendor List, which will assist in:

1. Updating contract files with pertinent vendor performance documentation.
2. Recording and managing vendor performance.
3. Ensuring that when the City has documented both satisfactory and unsatisfactory vendor performance, and those vendors with unsatisfactory performance records are monitored and provided assistance in understanding the City’s needs and expectations.
4. Fair and equitable treatment of all vendors who wish to do business with the City.

Vendor Performance – Incident Reporting Form - The using department shall complete this form to report unsatisfactory vendor performance on an ongoing contract and shall forward to the buyer representative as soon as possible after the incident has occurred. This allows Purchasing to take appropriate action to ensure deficiencies have been addressed and resolved to the satisfaction of the City. It also allows the City to eliminate a vendor from bidding on future City works where violation has continued and a contract has been cancelled.

Vendor Performance Evaluation Form - The using department shall complete this form at the completion of every contract for goods and/or service over $50,000 issued through the Purchasing Section. This allows Purchasing to record both satisfactory and unsatisfactory performance and to assist in the recommendation of renewing multi-year contracts.

REFERENCE

Policies:
- Policy for Performance Evaluation #8
- Policy for Vendor List #1

Procedures:
- Procedure for Vendor List #PR-1

Forms:
- Bidder’s Application Form (electronic)
- Vendor Performance – Incident Reporting Form
- Vendor Performance Evaluation Form
PROCEDURE

This procedure applies to consulting and professional services for the Public Works department only as outlined in policy #9, part 2.

PART A

For professional or consulting services with a total purchase price less than $100,000, the General Manager or designate shall award such works by direct appointment through a roster method. This method allows the City to employ a number of different consultants while matching the particular talents of a consultant to the project needs.

1.0 An advertisement shall be placed in an appropriate publication inviting interested consultants to complete a pre-designed submission form including, but not limited to, the following information:
   1.1 company size and experience including staff profiles;
   1.2 specific area of expertise;
   1.3 ability to complete project to deadlines;
   1.4 past performance on City projects;
   1.5 references; and
   1.6 cost schedule.

2.0 Submissions will be received by the Purchasing Section and will be categorized according to the speciality as categorized in the submission document.

3.0 Based on set criteria evaluation contained within the submission document, a Project Team from each department, consisting of City staff with relevant expertise, will select a pre-determined number of consultants in each main area of speciality to form their “roster”. The “roster” selection will be reported to the General Manager for approval. Contracts will be awarded to these consultants based on a rotation method while matching capabilities and experience with particular needs. The rotation process will attempt to equalize revenues earned amongst the consultants in the “roster”. For each project, the assigned consultant will be required to prepare a study design, which describes the work program and associated fees and the General Manager or designate will proceed to finalize an agreement.
4.0 All consultants not chosen to form part of the “roster”, but whose submissions were deemed acceptable will form part of the “pre-qualified” group and will be eligible to bid on proposals as they become available.

5.0 The Project Team may utilize a Request for Proposal in unusual circumstances where the project is unique to the City or where the City is not familiar with the requirements of the project and requisite expertise is needed. On projects of high public exposure or significant community impact, City staff is encouraged to utilize a selection process which may be more detailed than specified in this policy for the particular assignment value.

6.0 Consultants’ performance will be reviewed annually by the General Manager with input from involved staff. Documented poor performance will result in a consultant being excluded from the “roster” for a period of up to five (5) years as detailed in the Policy for Vendor List, Policy #1. A report will be issued to the City Manager to identify those consultants who have been removed including substantiating reasons for exclusion.

PART B

For professional or consulting services with a total purchase price greater than $100,000, the General Manager or designate will follow the Procedure for Proposals as outlined in #PR-5E.

1.0 Firms wishing to provide consulting services will be required to provide proposals based on pre-determined Terms of Reference of sufficient detail to clearly outline the project background, scope of consulting services required, scheduling time frames and any other requirements. Budget estimates may be included at the discretion of the Project Manager. Once received, the consultant evaluation criteria will be applied to the submission or proposal and will include, but not be limited to:

1.1 company background;
1.2 project team & manager;
1.3 availability for duration of works;
1.4 comprehension, understanding and approach;
1.5 planning and resources required;
1.6 innovation;
1.7 schedule of fees; and,
1.8 other factors deemed appropriate for the project.
2.0 Consulting Engineers shall not be selected solely through price competition, but will be selected by “lowest acceptable bid” as defined in Section 3 of the Policies. Due consideration will be given to the selection criteria which shall be clearly defined in the pre-determined Terms of Reference.

3.0 The consultant will be selected and recommended for approval based on the outcome of the evaluation procedure. The General Manager or designate will proceed to negotiate an agreement.

4.0 The selection process may be varied by the General Manager:

4.1 when the project is a “follow-on” assignment most appropriately done by the original contractor and proves more cost effective or beneficial; or

4.2 when a single source is being recommended because the Consultant has the unique qualifications or skills for the project; or

4.3 for emergency works as defined in Policy #10.

PART C

1.0 A consultant performance review will be carried out at the completion of every assignment and will be used as part of the evaluation criteria for future projects.

2.0 In all cases, an online requisition will be entered and authorized through workflow as necessary, according to the procedure detailed in the Requisitioner Training Guide, PeopleSoft Financials 8.4 Training Manual and a standard agreement, in a format approved by the City Solicitor or designate, will be generated.

3.0 The General Manager will be responsible to prepare a quarterly review to the City Manager stating all contract awards including consultants used and total cost.

4.0 The General Manager will write a report Council for approval of all contracts over $100,000, which do not comply with Policy 4 Approval Authority.

REFERENCE

Policies Policy for Consulting and Professional Services #9
**PROCEDURE**

The purpose of this procedure is to set out guidelines for acquiring goods and/or services when an emergency arises defined in Section 3 as a situation, or the threat of an impending situation, which may affect the environment, the life, safety, health and/or welfare of the general public, or the property of the residents of the City, or to prevent serious damage, disruption of work, or to restore or to maintain essential service to a minimum level.

When the General Manager/Executive Director has declared an Emergency, goods and/or services shall be acquired by the most expedient and economical means.

1. The Purchasing Section will provide cooperative assistance when requested to expedite any purchasing documents necessary to deal with the Emergency.

2. Subsequent to the resolution of the emergency, and where purchases exceeded $5,000, the initiating department shall complete the “Request for Use of Negotiation Policy/Emergency Reporting Form” and forward to the Manager of Purchasing. These purchases will be reported to Council on a quarterly basis. For amounts exceeding $250,000, the General Manager/Executive Director shall issue an information report to the City Manager and to Council at its next scheduled meeting.

3. All transactions exceeding $5,000 require an online requisition, authorized through workflow by the General Manager or designate, according to the procedure detailed in the Requisitioner Training Guide, PeopleSoft Financials 8.4 Training Manual to expedite payment to the vendor.

**REFERENCE**

Policies: Policy for Emergency Purchasing #10
Forms Request For Use Of Negotiation Policy / Emergency Reporting Form
Reference PeopleSoft Financials 8.4 Training Manual
The Policy for Negotiations should be used in narrowly defined circumstances where it is justified that the Policies for the General Acquisition Process could not be followed. **The Manager of Purchasing must be contacted and must agree that the situation warrants use of this policy prior to entering into the negotiation process for any acquisition over $5,000. The Manager of Purchasing will determine the path to be followed and who will participate in the process. Single Source contracts as defined in Item e. which are greater than $250,000 must have Council approval prior to initiating the negotiation process.**

The following details expand on the policy examples of when and how negotiations should be handled.

**CRITERIA**

a. **SHORT SUPPLY** - The Purchasing Section, in conjunction with user departments, may negotiate the purchase of goods or services that are judged to be in short supply due to market conditions and where a shortage will affect the efficient operation of City works.

b. **SOLE SOURCE** - May occur when there is only one source of supply in the open market, for example:

   i) Purchases of replacement parts are from an exclusive source.

   ii) Compatibility with goods and/or services previously acquired where there are no reasonable alternatives or substitutions.

   iii) Where only one contractor has the unique qualifications, special knowledge, skills, expertise or experience for the project.

Those vendors providing goods and/or services that have been approved as sole source will be reviewed annually with the Manager of Purchasing to ensure that changes in market conditions and/or operations have been recognized.

c. **IDENTICAL BIDS** - When two or more identical bids have been received, the Purchasing Section will consider the following factors:

   i. prompt payment discount,

   ii. when delivery is an important factor, the bidder offering the best delivery date be given preference,
iii. a bidder in a position to offer better after sales service, with a good record in this regard shall be given preference,

iv. a bidder with an overall satisfactory performance record shall be given preference over a bidder known to have an unsatisfactory performance record,

If (i) through (iv) do not break the tie, the Purchasing Section will proceed to procure “best and final offers” from the bidders involved in order to break the tie.

d. BIDS EXCEED BUDGETED OR ESTIMATED COSTS - Where the bids received are excessive of budgeted or estimated costs, the following options shall be considered.

i) Where time permits, the project shall be re-issued and new bids accepted based on revised specifications or conditions.

ii) Where time does not permit re-issuing, and specifications or conditions are being altered for the purpose of reducing costs, all bidders who secured the bid documents shall be given the opportunity to re-bid. This process will utilize a “post addendum” process. The General Manager of the initiating department and the Manager of Purchasing jointly may waive the need for a revised bid solicitation and enter into negotiations with the lowest bidder meeting all required specifications, terms and conditions where they agree that the changes required to achieve an acceptable bid will not change the general nature of the requirement described in the bid solicitation.

iii) Where only one bid has been received or only one bid has met all required specifications, terms and conditions, but the price is in excess of budgeted funds, the Purchasing Section may proceed to negotiate conditions which will reduce costs to an acceptable level.

e. BIDS FAIL TO MEET SPECIFICATIONS OR CONDITIONS - Where the bids received fail to meet the specifications or conditions as specified in the document, the following options shall be considered.

i) Where time permits, the project shall be re-issued and new bids accepted based on revised specifications or conditions.

ii) Where time does not permit re-issuing, and specifications or conditions are being altered, all bidders who secured the bid documents shall be given the opportunity to re-bid. This process may utilize a “post addendum” process. The General Manager of the initiating department and the Manager of Purchasing jointly may waive the need for a revised bid solicitation and enter into negotiations with the lowest bidder meeting all required specifications, terms and conditions where they agree that the changes required to achieve an acceptable bid will not change the general nature of the requirement described in the bid solicitation.
f. **SINGLE SOURCE** - Single sourcing occurs when there may be more than one source of supply in the open market, but only one of these is recommended by the user for consideration on the grounds that it is more cost effective or beneficial to the City. The main disadvantage of single source procurement is that it foregoes any benefits of competition and is difficult to justify the principle of best value where there is not adequate basis of comparison. There are, however, some circumstances where single source procurement is appropriate and can be applied.

g. **CONTRACT EXTENSION** - Short-term extensions of existing contracts may be approved by the Manager of Purchasing to deal with urgent situations or when additional time is required to complete the new tender or RFP process.

h. **TIME SENSITIVE** - Where a situation for which the timing to initiate and/or complete the purchase is crucial to the effective operation of the City, but the time available to follow normal procedures is insufficient, Purchasing may enter into negotiations with an approved vendor. Where possible, more than one vendor may be contacted and award shall be granted to the vendor offering the "lowest acceptable bid" as defined in Section 3 of this document. The “Negotiation/Emergency Reporting Form”, completed prior to proceeding, shall include an explanation of the factors and events that led to a time sensitive situation; inadequate planning and time management are not considered acceptable justification for use of this policy.

i. **EXPANDED OR COORDINATED WORKS** - means coordination of projects with projects from within the same or different departments in the City, or for an approved construction project in which an unexpected problem arises during construction which does not expand the scope of the project but is necessary in order to deliver the original approved work or where the project is a “follow-on” assignment most appropriately completed by the original contractor having the specific knowledge and expertise for the work involved.

**PROCEDURE**

1. For any purchase over $5,000, the “Negotiation/Emergency Reporting Form” shall be completed and signed by the Departmental Director of the initiating department and forwarded to the Manager of Purchasing prior to entering into negotiations. This form will be completed electronically, attached to an email and forwarded direct from the Departmental Director to the Manager of Purchasing. The initiating department is responsible for ensuring that all relevant information is detailed involving rationale for requesting direct negotiation.

2. A formal response is required from the vendor and should outline the projected costs and nature of goods and/or services to be supplied.
3. The procedures shall be those accepted as standard negotiations that employ fair and ethical practices. As directed by the Manager of Purchasing, a representative from the Purchasing Section will assist with the negotiation process.

**EXCEPTION TO POLICY**

Acquisition of Consulting and Professional Services for Public Works made in accordance with Policy #9, Part 2, using the roster method are exempt from this policy.

**PEOPLESOFT PROCESSING**

1. A representative from the department, who has access to PeopleSoft, will enter an online requisition, authorized through workflow by the General Manager or designate, according to the procedure detailed in the Requisitioner Training Guide, PeopleSoft Financials 8.4 Training Manual. The comments screen of the requisition shall reference the “Request For Use Of Negotiation Policy / Emergency Reporting Form”. The assigned Buyer will create a purchase which is sent to the vendor for direct shipment to the user department. When the nature of service warrants, or where the vendor requires a different form of commitment other than a City purchase order, a contract in a form satisfactory to the Manager of Purchasing and/or the City Solicitor or designate shall be the form of commitment.

2. If items have been entered in the item file, the user department will enter an online requisition as goods/services are required, authorized through workflow as necessary, according to the procedure detailed in the Requisitioner Training Guide, PeopleSoft Financials 8.4 Training Manual.

3. Upon receipt and verification of order, the user will acknowledge receiving goods/services in the PeopleSoft program as outlined in the Requisitioner Training Guide, PeopleSoft Financials 8.4 Training Manual.

4. Accounts Payable will proceed to process payment upon receipt of the vendor's invoice.

The Purchasing Section shall prepare a quarterly report to Council detailing all transactions where Policy for Negotiation #11 was applied.

**REFERENCE**

<table>
<thead>
<tr>
<th>Policies</th>
<th>Policy for Negotiation #11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forms</td>
<td>Request For Use Of Negotiation Policy / Emergency Reporting Form</td>
</tr>
<tr>
<td>Reference</td>
<td>PeopleSoft Financials 8.4 Training Manual</td>
</tr>
</tbody>
</table>
Refer to Policy #12, as defined.

REFERENCE

Policies: Policy for Cooperative Purchasing #12
Contract documents binding the City to a legal agreement with a Vendor must have the appropriate authorized signatures applied.

**PROCEDURE**

The Purchasing Section shall prepare and forward the legal agreement to the Contractor for execution. Once the copies are returned and found acceptable, including required bonds and other necessary insurance and WSIB documentation, the contract will be forwarded to the appropriate individuals for their authorized signature.

**REFERENCE**

Policies: Policy for Authority to Execute Contracts #13
PROCEDURE

Standardization is a management decision-making process that examines a specific common need or requirement and then selects a product or service that best fills that need to become the standard and allows for:

a) reduced number of goods and services required
b) increased volume on common items or services
c) maximizing volume buying opportunities
d) providing economies of scale
e) reduced handling, training and storage costs
f) minimizing maintenance costs
g) competitive bid results
h) reduced overall cost

In such cases where the standardization will result in a single source purchase it shall be at the discretion of the Manager of Purchasing to require the department bring forward a report for Council approval.

REFERENCE

Policies: Policy for Standardization #14
The General Manager/Executive Director/City Manager shall appoint employees who will be authorized to use a procurement card to purchase goods and services.

I. PROGRAM ADMINISTRATION

1. All procurement cards issued will have a predetermined “single transaction limit”, a “monthly credit limit”, and “blocked commodities” as determined and authorized by the General Manager / Executive Director / City Manager or their designates in conjunction with the Procurement Card Administrator. These limits are based on the expected level of purchasing and type of purchases.

2. The program will be administered and audited by the Procurement Card Administrator, who will maintain a master file of all procurement cards and card limits. The Procurement Card Administrator will supply departments with standard monthly reports detailing card activity. On request, the Procurement Card Administrator can supply departments with further reports analyzing purchases by cardholder, merchant category, dollar amount, etc.

3. Every cardholder shall be informed in writing of his or her responsibilities and restrictions regarding the use of the procurement card and shall agree to them in writing. Cardholders will be held liable for any misuse or wilful disregard of policies and operating procedures that result in a loss of money, fraud or collusion.

4. Each procurement card will have a unique number, and will be issued in the name of the City of Hamilton and the name of the employee who has been authorized to use that card. The card is not transferable to any other employee, even if that other employee is also authorized to use a procurement card on behalf of the City.

5. The General Manager / Executive Director / City Manager or their designates have been delegated purchasing and approval signing authority for procurement card transactions.

6. The liability for authorized charges on the procurement cards rests with the City, not the individual cardholder.

7. The City is not liable for any unauthorized use of the card that occurs after a notification of loss, theft or cancellation has been received by the bank (within a reasonable time period, 1-2 days). However, if the loss or theft of a card is not reported immediately, the City may be liable for all unauthorized purchases charged to the account.
II. RESTRICTIONS

1. The procurement card shall not be used:
   a. when a contract or tender is in effect for the product (unless authorized by the Purchasing Section).
   b. for personal purchases of any nature.
   c. for computer hardware/software (unless authorized by Information Systems).
   d. for long-term lease or rental agreements.
   e. for printing requirements (unless authorized by the Manager of Communications).
   f. when the cost of the goods or services would be significantly increased as a result of using the card and an alternative method of payment is available.
   g. for any purchase of goods or services that may be prohibited under any other policy approved by Council.

2. Cash advances/withdrawals are restricted from all procurement cards.

3. Under no circumstances shall purchases be split to avoid the transaction limits that have been placed on the card.

4. No cardholder will accept cash or a cheque from a vendor who is making a refund pertaining to a transaction previously charged to a procurement card account. The vendor in all cases must issue a procurement card credit voucher.

5. Vendors will not be overlooked as a result of their non-acceptance of procurement cards. Where pricing is identical, the ease of payment may be used as a factor in determining the successful vendor.

III. CARDHOLDER RESPONSIBILITIES

The Cardholder is responsible for:

a. Adhering to all conditions and restrictions imposed on the procurement card by the City and the bank.

b. Reading, signing and submitting the Procurement Card Agreement Form (refer to Appendix “B”).

c. Signing and storing the procurement card in a secure place.

d. Immediately notifying the bank and the Departmental Card Coordinator of any loss or theft of the card.

e. Informing the Departmental Card Coordinator of any changes in business address or area of responsibility, telephone number, extended leave, etc.

f. Returning the card to the Departmental Card Coordinator for cancellation or suspension, when directed to do so.
g. Retaining all procurement card receipts, identifying the purpose of the purchase, for attaching to the monthly statement. The cardholder must request a copy of the sales slip to accompany shipments of telephone orders.

h. The monthly statement shall be reviewed for accuracy of charges, signed and forwarded to the Departmental Card Coordinator within 5 working days for further processing. All receipts and supporting documentation shall be attached including the account distribution to which the transaction will be charged.

i. Where the cardholder has been authorized to incur reasonable expenses associated with the entertainment of business contacts, it shall only be when such entertainment is considered to be necessary for the advancement of the interests of the City. The cardholder shall include supporting documentation clearly identifying the event/meal attended, date, purpose, and when applicable, identification of all individuals whose expenses are being reimbursed. If the event/meal includes only internal City staff, alcohol will not be permitted. If some of the attendees are external (i.e. consultants, representatives from other municipalities or agencies, members of the public) alcohol will be permitted.

j. Resolving disputed charges with the assistance of the Departmental Card Coordinator by contacting the vendor as required.

IV. GENERAL MANAGERS/EXECUTIVE DIRECTORS/CITY MANAGER RESPONSIBILITIES

The General Manager/Executive Director/City Manager/ or Designate is responsible for:

a. Assessing the need for procurement cards based on operational requirements.

b. Identifying the employee(s) who will be authorized to make purchases through the use of a procurement card.

c. Establishing the credit limit, transaction limit and monthly limit for each cardholder and blocking restrictions if applicable.

d. Ensuring that each cardholder is informed of his or her responsibilities regarding the use of the procurement card.

e. Ensuring that the use of procurement cards conform to corporate policy and procedure.

f. Monitoring and controlling the utilization of procurement cards within their department or area of responsibility.

g. Reviewing and approving, on a monthly basis, the statements for all purchases charged to their budgets.

h. Approving all card changes on the Procurement Card Maintenance Form (see Appendix “C”).
V. DEPARTMENTAL CARD COORDINATORS RESPONSIBILITIES

The Departmental Card Coordinator is responsible for:

a. Distributing new card issues, supplying the cardholder with a copy of the policy and procedure informing them of the responsibilities and restrictions regarding the use of the procurement card and obtaining a signed Procurement Card Agreement Form (refer to Appendix “B”) before issuing the card. This form shall be forwarded to the Procurement Card Administrator for safekeeping.

b. Accessing and printing monthly statements from the US Bank website for cardholders within their division.

c. Distribution of monthly statements to cardholders.

d. Review monthly statements returned by cardholders for compliance with procurement card policy & procedure. Notify the General Manager/Executive Director/City Manager or designate of any irregularities.

e. After the monthly close date (on or about the 22nd day of each month), the Departmental Card Coordinator shall have approximately 10 days in which to expense amounts to the appropriate cost centre online with US Bank. Transactions that are not reallocated online will be transported to PeopleSoft and charged to the “default” account and Deptid as indicated on the cardholder application.

f. Transactions that require reallocation after transferring to PeopleSoft shall be done through the journal entry process. The Departmental Card Coordinator shall review the default G/L clearing account to ensure that all transactions are expensed appropriately.

g. The Departmental Card Coordinator shall contact the Procurement Card Administrator for assistance regarding any unresolved disputed charges.

h. The Departmental Card Coordinator shall have the monthly statements approved and signed by the General Manager/Executive Director/City Manager or designate, and filed for safekeeping. Records shall be retained in accordance with Council approved by-laws for records retention. The Departmental Card Coordinator may be periodically required to comply with internal control procedures designed to protect the organization’s assets. This may include being asked to produce the credit card records for audit purposes.

i. Complete the Procurement Card Maintenance Form (see Appendix “C”) for any requested card changes, have it approved by the General Manager/Executive Director/City Manager or designate and forward to the Procurement Card Administrator. The procurement card must be returned with the Procurement Card Maintenance Form on requests for cancellation or suspension.

j. Notify the Procurement Card Administrator by email when a cardholder is being transferred to another department within the City. The Procurement Card Administrator shall confirm with that Departmental Card Coordinator if the card shall be continued or cancelled.
VI. PROCUREMENT CARD ADMINISTRATOR RESPONSIBILITIES

The Procurement Card Administrator is responsible for:

a. Management of Departmental Card Coordinators within the organization.

b. Key contact with the US Bank.

c. Processing approved requests for new procurement cards and current card changes such as monthly credit limits, cancellation of cards, etc. submitted via the Procurement Card Maintenance Form (see Appendix “C”). The Procurement Card Administrator shall maintain the approved and signed copy of the Procurement Card Agreement Form (refer to Appendix “B”).

d. Maintaining a master file of all procurement cards and card limits.

e. Downloading the raw statement billing file to Firstview Net software on the 21\textsuperscript{st} day of the month or the first business day thereafter.

f. Notifying all Departmental Card Coordinators by email that monthly data has been posted and may be accessed for updating account distribution.

g. Printing of monthly reports for departments using Firstview Net software.

h. Notifying the bank of unresolved issues on cardholder’s statements if not solved through vendor contact by cardholder/Departmental Card Coordinator.

VII. PROCEDURES

1. Requests for procurement cards

   a. The application form must be completed in full and signed/authorized by the employee, General Manager/Executive Director/City Manager or designate and Departmental Card Coordinator for each card requested (refer to Appendix “A”). All requests for new cards will be forwarded to the bank by the Procurement Card Administrator who will maintain a master file of all procurement cards issued.

   b. Procurement cards are expected to be issued within ten (10) working days from the date that the application form is received by the bank. The Procurement Card Administrator will forward the card directly to the Departmental Card Coordinator.

   c. The Departmental Card Coordinator must inform the cardholder of the responsibilities and restrictions regarding the use of the procurement card and obtain a signed Procurement Card Agreement Form (refer to Appendix “B”) from each cardholder before issuing the card. The Procurement Card Agreement Form shall be forwarded to the Procurement Card Administrator for safekeeping.

2. Cancellation of Procurement Cards

   The Cardholder must return the card, immediately upon being notified, to the Departmental Card Coordinator for cancellation when;
a. Specifically requested to return the card by the Procurement Card Administrator, General Manager/Executive Director/City Manager or designate or the Departmental Card Coordinator for any reason.

b. Upon transfer to another department or area of responsibility.

c. Upon termination of employment with the City of Hamilton.

3. Lost or Stolen Procurement Cards

a. The cardholder must immediately notify the bank of any loss or theft of the procurement card. Lost or stolen cards can be reported 24 hours a day by calling 1-800-588-8067. The Cardholder must also advise the Departmental Card Coordinator immediately who shall confirm the loss or theft in writing by forwarding a Procurement Card Maintenance Form (see Appendix “C”) to the Procurement Card Administrator.

b. If the lost or stolen card should eventually be recovered or found, it must be cut in half and returned to the Procurement Card Administrator through the Departmental Card Coordinator.

4. Change of Department

a. The Departmental Card Coordinator shall notify the Procurement Card Administrator immediately by email when a cardholder has been transferred to another department/division. It shall be the responsibility of the new Departmental Card Coordinator to complete the Procurement Card Maintenance Form (see Appendix “C”) authorizing continued use of the procurement card and updating information for the cardholder’s file. The form will specify the new division, department, phone and fax number, dollar limit changes if applicable and default account numbers.

b. For changes to area of responsibility within the same department/division, the Departmental Card Coordinator shall complete the Procurement Card Maintenance Form (see Appendix “C”) as appropriate, and forward it to the Procurement Card Administrator.

5. Disputed Charges

a. Items charged on monthly statements that do not accurately reflect the transactions made by the cardholder (i.e. bank errors such as wrong amount, incorrect account number, multiple postings of the same item, etc.) are considered to be disputed items.

b. The cardholder must notify the Procurement Card Administrator immediately, through the Departmental Card Coordinator, when disputed items stated under item a. are involved. Disputed items reported by the cardholder will be credited on the individual statement the following month (provided they are legitimate). The amount indicated on the statement is the amount that will be paid to the bank. The cardholder shall provide information and assistance to the bank to settle the disputed items, as required.
c. If the questionable item is not a bank error (i.e., late delivery, defective goods, wrong price, quantity difference, returned goods, etc.), the matter must be settled directly with the vendor by the cardholder with assistance from the Departmental Card Coordinator. Such matters must be drawn to the vendor’s attention immediately so as to minimize the delay in obtaining a credit to the procurement card account. When the amount in dispute is of a significant dollar value, notices to vendors will be confirmed in writing even though settlement may be accomplished through telephone calls. Copies of the notices to vendors should be attached to the monthly statement. The Manager of Purchasing shall be notified of all cases involving poor vendor performance.

d. If unable to resolve the dispute, the Departmental Card Coordinator will forward all pertinent documentation to the Procurement Card Administrator, within one month of statement date, to contact the bank. The bank will issue a credit on the next cardholder statement pending further investigation.

6. Refunds from Vendors

   a. When merchandise is returned or other adjustments to accounts are necessary, credit vouchers will be issued by vendors. Such credits must be issued against the same procurement card that the original transaction was charged to.

7. Management Reports

   a. The management reports produced by the Procurement Card Administrator will be sent electronically to the Departmental Card Coordinators on a monthly basis for monitoring purposes. The Departmental Card Coordinator shall immediately inform the Procurement Card Administrator and the Director, Financial Services of any cases where misuse of card or non-compliance to policy & procedure has been noted.

   b. The Purchasing Section shall review the monthly reports to determine:

      i. where vendor discounts can be negotiated.
      ii. where opportunities for corporate contracts exist.
      iii. that charges are in compliance with the policy & procedure.
      iv. where further training or counselling is required.

REFERENCE

| Policies | Policy for Procurement Cards #15 |
| Forms   | Procurement Card Application Form – Appendix “A” |
|         | Procurement Card Agreement Form – Appendix “B” |
|         | Procurement Card Maintenance Form – Appendix “C” |
The Purchasing Section shall dispose of surplus goods by any of the methods directed in the policy. Each case shall be evaluated individually to determine the most cost effective process for disposal.

**PROCEDURE**

1. The user department shall complete the “Request for Disposal of Surplus Goods” form found at S:\Corporate Services\Finance\Fin\Purchasing\Purchasing Forms to report surplus or obsolete goods for disposal and forward to the attention of the Manager of Purchasing.

2. The form shall include information regarding upcoming tenders or RFP’s where these goods may be available for trade or exchange.

3. The Purchasing Section shall first offer the goods to other departments within the Corporation through their Business Administrators.

4. If the goods cannot be utilized by another department within the Corporation, the Purchasing Section shall proceed with alternate options as listed in the Policy for Disposal of Surplus Goods, Policy #16, items a through f.

The Manager of Purchasing shall submit an annual report to the General Manager of Finance and Corporate Services summarizing the disposition of all surplus goods pursuant to the Policy.

**REFERENCE**

- Policies: Policy for Disposal of Surplus Goods #16
- Forms: Request for Disposal of Surplus Goods
Refer to Policy #17, as defined.

REFERENCE

Policies: Policy for Conflict of Interest #17
PROCEDURE

Occasionally, a vendor will protest the award of a bid solicitation for reasons such as:

a. process irregularities in the bid document.
b. deviation from evaluation criteria.
c. specifications were unclear, ambiguous or restrictive.
d. submission was not fully understood and therefore not adequately considered.

In such cases, the vendor shall request a meeting with the Manager of Purchasing and the Buyer responsible for the contract. This request should be in writing and should provide a detailed statement of the legal and factual grounds of the protest, including copies of relevant documents, and identify the form of relief requested.

1. If, after the meeting, the vendor is satisfied that their concerns were addressed and that the process was fair and equitable, no further action shall be required. Documentation will be maintained in the Purchasing Section for future reference.

2. If, after the meeting, the Manager of Purchasing is convinced that there was an error or oversight on the part of Purchasing, a report shall be issued to the Corporate Administration Committee for approval where a financial consideration is being recommended.

3. If, after the meeting, no resolution satisfactory to both parties has been achieved and the Manager of Purchasing is confident the process was fair and equitable, the vendor may, at their option, make a formal written request to appear before the Corporate Administration Committee who will provide a recommendation for Council approval.

4. If, after the meeting, no resolution satisfactory to both parties has been achieved and the vendor chooses to move directly to a form of legal action, the Manager of Purchasing shall contact the City Solicitor or designate for advise and direction. Any action recommended by the City Solicitor or designate shall be reported to Council for approval.

5. A protest pertaining to the administration of a contract during the contractual period will follow the same process as outlined in steps 1-4.

REFERENCE

Policies: Policy for Vendor Complaint Resolution #18
Refer to Policy #19, as defined.

REFERENCE

Policies: Policy for Compliance to Purchasing Policies #19
Refer to Policy #20, as defined.

REFERENCE

PART 1 – The Department is to complete this section to initiate the tender/proposal process.

Current Date ___________________________ Buyer ___________________________

Departmental Contact Name ___________________________ Phone ___________________________

Description of Required Goods/Services ____________________________________________

If approved under current/capital budget enter budget amount $ ___________________________

Date Goods or Services are Required ___________________________

If not approved by current/capital budget and/or estimated cost is over $250,000 enter Council Report Number ___________________________

Authorized signature will acknowledge the specifications included have been reviewed and approved by the departmental Director as required by Policy #3 - Specifications.

Signature of General Manager/Executive Director or Designate ___________________________

PART 2 – To be completed by the Purchasing Section to authorize the award of the tender/proposal. All contract awards must comply with Policy #4 - Approval Authority.

Current Date ___________________________ Buyer ___________________________

Public Works - Procurement Award Report Issued Yes ☐ No ☐

Note: For all other departments attach written authorization to proceed with award.

Recommendation ____________________________________________

Purchase Order Information

<table>
<thead>
<tr>
<th>Purchase Order Number</th>
<th>Amount</th>
<th>Vendor Name</th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

THIS FORM MAY BE SIGNED AND MAILED TO THE STANDARD LIFE BUILDING, 9TH FLOOR, FAXED TO 546-2327 OR EMAILED DIRECT TO THE BUYER FROM THE GENERAL MANAGE/EXECUTIVE DIRECTOR OR DESIGATE.
<table>
<thead>
<tr>
<th>Reporting Date</th>
<th>Contract Number</th>
<th>Purchase Order No.</th>
<th>Buyer Name</th>
</tr>
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<tbody>
<tr>
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<table>
<thead>
<tr>
<th>Department / Division</th>
<th>Vendor Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Department Report Initiated By

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Nature of Report** *(Please check all boxes that apply)*

- [ ] Response time not acceptable
- [ ] Unsatisfactory services performed
- [ ] Services not performed according to specifications
- [ ] Invoice incorrect
- [ ] Inferior or defective parts used
- [ ] Unauthorized additional billing
- [ ] Unauthorized service performed
- [ ] Other (explain below)

**Detailed Explanation** *(Please be specific – attach additional sheets if more space is required)*

Describe any action taken regarding this report *(Attach additional sheets if more space is required)*

**Buyer Action** *(attach copies of all vendor correspondence)*

- [ ] 1st - Verbal Warning
- [ ] 2nd - Written Notice
- [ ] - Final - Violation Continued

**Vendor Response:** *(Be Specific - Attach additional sheets if more space is required)*

Vendor Response Completed By:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Phone No.</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**Final Disposition:**

- [ ] Resolved - Records retained for future reference
- [ ] Contract Cancelled - Report filed against vendor performance records
At the completion of every contract for goods and/or services over $50,000 issued through the Purchasing Section, the user is required to complete a Vendor Performance Evaluation Form.

**Date**

**Evaluator’s Name & Title**

**Department/Division**

**Vendor Name**

**Contract # & Title**

---

### User Department Evaluation of Product & Service

Rate the **Product & Service** with regard to the following criteria:

#### Delivery

<table>
<thead>
<tr>
<th>☐ Unacceptable</th>
<th>☐ Satisfactory</th>
<th>☐ Above Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Delivers on time</td>
<td>• Provides proper and accurate delivery receipts</td>
<td></td>
</tr>
<tr>
<td>• Holds back-orders to a minimum</td>
<td>• Goods protected by proper packing. Packaging kept to a minimum, uses recyclable materials.</td>
<td></td>
</tr>
<tr>
<td>• Delivers to location requested</td>
<td>•</td>
<td></td>
</tr>
<tr>
<td>• Identifies and marks packages correctly</td>
<td>•</td>
<td></td>
</tr>
</tbody>
</table>

#### Quality / Specifications

<table>
<thead>
<tr>
<th>☐ Unacceptable</th>
<th>☐ Satisfactory</th>
<th>☐ Above Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Provides specified quality and quantity of goods as requested</td>
<td>• Complies with contract terms and conditions</td>
<td></td>
</tr>
<tr>
<td>• Promptly replaces rejected items</td>
<td>• Support on professional/technical matters</td>
<td></td>
</tr>
<tr>
<td>• Is prompt and accurate on technical assistance</td>
<td>• Training provided on equipment / product / staff</td>
<td></td>
</tr>
</tbody>
</table>

#### Customer Service

<table>
<thead>
<tr>
<th>☐ Unacceptable</th>
<th>☐ Satisfactory</th>
<th>☐ Above Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Expedites and handles orders courteously</td>
<td>• Representative shows desire to serve</td>
<td></td>
</tr>
<tr>
<td>• Handles complaints effectively and efficiently</td>
<td>• Representative provides feedback from manufacturer</td>
<td></td>
</tr>
<tr>
<td>• Inside sales support courteous and helpful</td>
<td>• Support available after hours</td>
<td></td>
</tr>
<tr>
<td>• Representative assists in cost reduction initiatives</td>
<td>• Provides monthly/quarterly reports as requested</td>
<td></td>
</tr>
</tbody>
</table>
## Financial Implications / Cost Issues

- Invoices correctly
- Invoices promptly
- Issues credit adjustments promptly
- Offers discount terms for prompt payment
- Charges penalty for late payments
- Responds to inquiries efficiently and effectively
- Invoices comply with contract terms and conditions

## User's Overall Assessment of Vendor's Performance

- Unacceptable
- Satisfactory
- Above Average

## DEFICIENCIES - where performance issues were addressed during the term of the contract.

- Were deficiencies communicated verbally to the vendor?  
  - YES  
  - NO

- Were deficiencies resolved to your satisfaction?  
  - YES  
  - NO

- If not, was a formal letter sent to the vendor advising them?  
  If yes, provide a copy.

- Did the vendor correct the deficiencies outlined in writing?  
  - YES  
  - NO

- Are there any outstanding issues that require further action to be resolved?  
  - YES  
  - NO

## FURTHER COMMENTS / RECOMMENDATION:

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

**Attach any supporting documentation.**
EMERGENCY REPORTING FORM POLICY #10
REQUEST TO USE NEGOTIATION POLICY #11

Department/Division ________________________ Date ____________________

Reporter’s Name ___________________________ Phone ____________________

☐ Emergency Policy #10 - Use explanation area below to describe the emergency situation and how goods and/or services were acquired including PeopleSoft requisition number if entered.

☐ Negotiation Policy #11 – Complete all sections below, and indicate by checking the appropriate selection, the reason for requesting the use of the Negotiation Policy for this purchase.

Description of Goods/Services Required __________________________________________

 Proposed Vendor ___________________________ Buyer __________________________

Is there an approved budget for this purchase? ☐ Yes ☐ No ☐

☐ Estimated dollar value for purchase $ __________________

☐ Goods/services are judged to be in short supply due to market conditions.

☐ There is only one known source for the goods/services (sole source).

☐ Two or more identical bids were received.

☐ The lowest bid meeting specifications is excessive in total cost or substantially exceeds the estimated cost.

☐ All bids received failed to meet the specifications or tender terms & conditions.

☐ A single source is being recommended.

☐ The extension of an existing contract where provisions for such were built into the original terms of reference, state original contract number below.

☐ A time-sensitive situation.

☐ Expanded or coordinated works.

Provide a brief explanation identifying the conditions that make it necessary to use this policy. Attach all other supporting documentation as available.

__________________________________________________________

Signature -- Departmental Director (under $100,000)

Signature – General Manager (over $100,000) __________________________

Approval Signature -- Manager of Purchasing __________________________

Form must be emailed direct from Department Director/General Manager to the Manager of Purchasing
### Employee Information

<table>
<thead>
<tr>
<th>Cardholder Information for Embossing:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First Name</strong></td>
</tr>
<tr>
<td><strong>Department</strong></td>
</tr>
</tbody>
</table>

| **Mailing Address of Location** (please include postal code) |

| **Business Phone** | **Fax** |

| **Mother's Maiden Name** | **Birthdate of Applicant** |

The information provided on this application is for the sole use of the Royal Bank for Visa security access. This information is private and confidential and is not be released to other parties without prior written authorization of the applicant.

### Card Controls

(Approving Director to assign appropriate limits)

| **Transaction Limit** | **Monthly Credit Limit** |

| **Default Account Number** | **Default Deptid** |

| **Blocking by MCC Codes** (Standard blocking rules for Corporation will apply) |

| **Include** | **Exclude** |

### Authorization

| **Employee Signature** | **Date** |

| **Director Approval** | **Date** |

### Departmental Card Coordinator

| **Name** | **Signature** |

| **Date** | **Phone** |
This document outlines the responsibilities I have as a holder of the City of Hamilton procurement card. My signature indicates that I have read and understand these responsibilities, and agree to adhere to the policy and procedure established for the program.

Name

________________________________________________________

Card No.

________________________________________________________

Expiry Date

________________________________________________________

1. Unauthorized use of the card can be considered misappropriation of funds. This could result in:
   a) immediate and irrevocable forfeiture of the card and/or
   b) disciplinary action which could result in termination of employment.

2. I will maintain the card with appropriate security. If the card is lost or stolen, I agree to notify the bank and the Procurement Card Administrator immediately.

3. The procurement card is issued in my name. I will not allow any other person to use my card. I am considered responsible for any and all charges against this card.

4. I understand that since the company is responsible for payment, I may be periodically required to comply with internal control procedures designed to protect the organization’s assets. This may include being asked to produce the credit card records for audit purposes.

5. I understand that I will receive a monthly electronic statement that will report all activity during the last cycle. I will attempt, with assistance as required from the Departmental Card Coordinator, to resolve any discrepancies by contacting the vendor. I understand that I am required to obtain the cash register receipt slips and reconcile them with the monthly statement.

6. I agree to surrender the card immediately upon termination of employment or when requested to do so by the General Manager/Executive Director/City Manager or designate or the Procurement Card Administrator.

7. As the card is corporate property, I understand that I will be required to comply with internal purchasing procedures using current contracted vendors.

8. Cash advances are prohibited.

Employee Signature

________________________________________________________

Date

________________________________________________________

Employee Number

________________________________________________________
### CARD NO.

<table>
<thead>
<tr>
<th>FIRST NAME</th>
<th>INITIAL</th>
<th>LAST NAME</th>
</tr>
</thead>
</table>

### CHANGES TO EMPLOYEE INFORMATION

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>DIVISION</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>BUSINESS PHONE</th>
<th>FAX</th>
</tr>
</thead>
</table>

### CHANGES TO CARD CONTROLS

<table>
<thead>
<tr>
<th>TRANSACTION LIMIT</th>
<th>MONTHLY CREDIT LIMIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>PURCHASING CARD TO BE</td>
<td>CANCELLED</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEFAULT ACCOUNTING CODE</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>BLOCKING BY MCC CODES</th>
<th>INCLUDE</th>
<th>EXCLUDE</th>
</tr>
</thead>
</table>

### REASON FOR CHANGE

### AUTHORIZATION

<table>
<thead>
<tr>
<th>EMPLOYEE SIGNATURE</th>
<th>DATE</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>DIRECTOR APPROVAL</th>
<th>DATE</th>
</tr>
</thead>
</table>

### DEPARTMENTAL CARD COORDINATOR

<table>
<thead>
<tr>
<th>NAME</th>
<th>SIGNATURE</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>DATE</th>
<th>PHONE</th>
</tr>
</thead>
</table>
REQUEST FOR DISPOSAL OF SURPLUS GOODS

POLICY #16

Current Date ___________________________

Departmental Contact Name ____________________ Phone _______________________

Description of Surplus Goods ______________________________________________________

Has the department budgeted for the purchase of similar items where these goods can be made available for trade or exchange? Yes ☐ No ☐

If yes, explain ________________________________________________________________

Is your department aware of any internal or external agencies that may be interested in acquiring these goods? Yes ☐ No ☐

If yes, explain ________________________________________________________________

Approximate Value of Goods if Known $ _____________________________

Authorized Signature _________________________________________________________

Final Disposition - Status Information ____________________________________________

THIS FORM MAY BE SIGNED AND MAILED TO THE STANDARD LIFE BUILDING, 9TH FLOOR, FAXED TO 546-2327 OR EMAILED DIRECT TO THE MANAGER OF PURCHASING.
# PURCHASING GUIDELINES REGARDING BID IRREGULARITIES

**FOR FORMAL QUOTATIONS, TENDERS & REQUESTS FOR PROPOSALS GREATER THAN $50,000**

**Schedule “C”**

<table>
<thead>
<tr>
<th>IRREGULARITY</th>
<th>RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Late bids.</td>
<td>Late bids will not be accepted and will be returned unopened to the bidder.</td>
</tr>
<tr>
<td>2. Bids not completed by non-erasable legible writing, ink or typewriter.</td>
<td>Automatic rejection.</td>
</tr>
<tr>
<td>3. Part bids (all items not bid).</td>
<td>Automatic rejection unless the bid documents specifically permit part bids.</td>
</tr>
<tr>
<td>4. Qualified bids (bids restricted by a covering letter or a statement/alteration added to any page of the bid document including the Form of Tender/Proposal/Quotation)</td>
<td>Automatic rejection unless the bid documents specifically permit such qualification or in the opinion of the Manager of Purchasing the qualification or restriction is trivial or not significant.</td>
</tr>
<tr>
<td>5. Execution of Form of Tender/Proposal/Quotation by bidder, where the original signature of bidder is missing.</td>
<td>Automatic rejection.</td>
</tr>
<tr>
<td>6. Failure of bidder to acknowledge and provide for all addenda issued to the bidder on the Form of Tender/Proposal/Quotation.</td>
<td>Automatic rejection unless every change set out in all of the addenda issued is clearly visible on the face of the bid submitted OR the relevant addendum issued is solely for the purpose of revising a closing date.</td>
</tr>
<tr>
<td>7. Bids received on documents other than those original documents supplied by the City in the bid package.</td>
<td>Automatic rejection unless a bid is received on a true photocopy (not re-typed) of the original document supplied by the City in the bid package. <strong>Signature of the bidder must be original.</strong></td>
</tr>
<tr>
<td>8. Erasures, changes, overwriting, whiteouts, crossouts or strikeouts which are not initialled by the bidder:</td>
<td>Where, at the sole discretion of the Manager of Purchasing, the changes are clear and unambiguous, two (2) City business days from time of demand by the City to initial changes. If the bidder fails to do so, the bid will be rejected by the City.</td>
</tr>
<tr>
<td>(a) Unit prices in a unit price tender.</td>
<td></td>
</tr>
<tr>
<td>(b) Lump sum price in a lump sum tender.</td>
<td></td>
</tr>
<tr>
<td>(c) Other items in the Form of Quotation / Tender / Proposal.</td>
<td></td>
</tr>
<tr>
<td>9. Failure by bidder to provide names of subcontractors it proposes to use on the project, acceptable to the City.</td>
<td>Unless otherwise specified in the bid document, two (2) City business days from time of demand by City staff to provide names of requested subcontractors acceptable to the City. If the bidders fails to provide the names or to provide subcontractors acceptable to the City, the bid will be rejected by the City.</td>
</tr>
<tr>
<td>IRREGULARITY</td>
<td>RESPONSE</td>
</tr>
<tr>
<td>--------------</td>
<td>----------</td>
</tr>
<tr>
<td>10. Bid security:</td>
<td></td>
</tr>
<tr>
<td>(a) Amount of bid security provided by bidder is insufficient, does not name correct Municipality as obligee, is not in a form acceptable to the City. (e.g. a bid bond, letter of credit, cash or certified cheque) or no bid security is provided by bidder when bid security is required in the bid package</td>
<td>Automatic rejection.</td>
</tr>
<tr>
<td>(b) Bid security not in compliance with the number of days open for acceptance as stated in the tender documents.</td>
<td>Two (2) City business days from time of demand by the City to re-submit an original replacement bond with correct time open for acceptance. If the bidder fails to do so, the bid will be rejected by the City.</td>
</tr>
<tr>
<td>11. Execution of Bid Bond:</td>
<td></td>
</tr>
<tr>
<td>(a) Original signature of bonding company missing.</td>
<td>Automatic rejection.</td>
</tr>
<tr>
<td>(b) Original signature of bidder missing.</td>
<td>Two (2) City business days from time of demand by the City for signature to be applied to original document. If the bidder fails to do so, the bid will be rejected by the City.</td>
</tr>
<tr>
<td>Bid bond is a photocopy of the original bond.</td>
<td>Automatic rejection.</td>
</tr>
<tr>
<td>12. Agreement to Bond:</td>
<td></td>
</tr>
<tr>
<td>(a) Amount of performance security provided by bidder is insufficient, does not name correct Municipality as obligee, is not in a form acceptable to the City or no agreement to bond is provided by bidder when required in the bid package.</td>
<td>Automatic rejection.</td>
</tr>
<tr>
<td>(b) Original signature of bonding company missing from the agreement to bond.</td>
<td>Automatic rejection.</td>
</tr>
<tr>
<td>(c) Agreement to bond is a photocopy of the original bond</td>
<td>Automatic rejection.</td>
</tr>
<tr>
<td>13. Unsealed bid envelopes.</td>
<td>Unsealed bids will not be accepted.</td>
</tr>
</tbody>
</table>

**NOTE:** Any deviation from these guidelines must be approved by the Manager of Purchasing.