

TOWN OF MIDDLETON CODE A - GENERAL ADMINISTRATION	
Subject: Procurement and Purchasing Policy	Number: A.1.25
Coverage: Staff	Approved by: Council & CAO
Effective Date : February 9, 2015	Revision Date: September 8, 2015

Purpose

1. To provide guidelines for the procurement and purchase of all goods and services for the Town of Middleton based on sound management and public procurement practices. Procurement methods shall be open, fair, transparent and consistent, while being both efficient and effective; procurement methods should reflect the need to make timely decisions and make best use of staff time to reach defensible procurement decisions.
2. To establish a more efficient and cost effective method of procuring and paying for low dollar value, high volume goods and services, as well as, travel expenses, registrations and other corporate affiliated expenses, while maintaining acceptable levels of control and accountability.

Application

3. This policy applies to all procurement and purchasing activity of the Town of Middleton.
4. The Chief Administrative Officer (CAO) of the Town of Middleton is responsible for ensuring compliance with this policy.
5. All Town of Middleton personnel who have responsibility for the procurement of goods, services, construction, or facilities must adhere to this policy. Failure to adhere may result in a temporary or permanent loss of procurement privileges or in more extreme cases result in disciplinary action and/or dismissal.

Spending Authority

Roles and Responsibilities

6. *Chief Purchasing Officer Responsibilities*
 - a. The CAO shall be the Chief Purchasing Officer for the Town and shall oversee the purchasing practices of all departments to ensure compliance with the Town's purchasing policy.
 - b. The CAO shall issue purchase orders for operational supplies for the general government services department, Emergency Management Office (EMO) and other protective services, public health and welfare services for all departments in accordance with purchasing policy procedures. The CAO shall issue operational purchase orders for the other departments in the absence of the respective director.
 - c. *Low value thresholds* – The CAO shall be responsible for approving low value operational purchases of \$10,001 or more for all departments in accordance with Procurement Policy procedures.

- d. *High value thresholds* – The CAO shall prepare and call tenders for all high value purchases of the Town and shall guide the tender opening process through the appropriate procedure, as detailed in this policy.

7. *Director Responsibilities*

- a. Directors shall issue all purchase orders for their departments only. All purchase of goods and services shall require a purchase order to be issued.
- b. No director shall charge a purchase to another department without the prior knowledge and approval of the director affected.
- c. *Low Value Thresholds* – Directors of departments shall be responsible for approving low value operational purchases up to and including \$10,000 for their own department in accordance with Procurement Policy procedures.
- d. *High Value Thresholds* – For purchase requirements above high value thresholds set in the Procurement Policy, the director shall submit a set of specifications for inclusion in the public tender call process to the CAO.

Procurement Process

Objectives

- 8. The Town of Middleton is committed to:
 - a. Providing for the procurement of goods, services, construction and facilities in a fair, open, consistent, and transparent manner resulting in best value.
 - b. Encouraging competition, innovative ideas and solutions, while respecting all Legislative and Trade Agreement obligations.
 - c. Promoting sustainable procurement in procurement decisions, including identifying and exploring opportunities to work with and support social enterprises and businesses that are owned by and who employ under-represented populations.
 - d. Ensuring that qualified suppliers have equal opportunity to bid on the Town of Middleton's procurement activity.
 - e. Being accountable for procurement decisions.

Thresholds

- 9. Low Value Procurement
 - a. Goods up to and including \$25,000
 - b. Services up to and including \$50,000
 - c. Facilities up to and including \$50,000
 - d. Construction up to and including \$100,000
- 10. For all low value procurement activity with a procurement value of less than \$1,000:
 - a. The procurement decision must be made by the applicable Department Director or by an employee designated by the Director, and appropriate documentation (e.g. receipts, invoices) must be kept.
 - b. Low value construction, facilities, goods and services may be procured under a standing offer if one exists for the construction, facilities, goods or services required, and if doing so will provide best value.
 - c. If the construction, facilities, goods or services are not purchased by a standing offer they may be purchased from any supplier, unless municipal staff have reason to believe that purchasing the construction, facilities, goods or services from that supplier would not provide best value.

11. For all low value procurement activity with a procurement value between \$1,001 and \$10,000:
 - a. The procurement decision must be made by the applicable Department Director or a manager, supervisor or foreman as designated by the Director.
 - b. Construction, facilities, goods and services may be procured under a standing offer if one exists for the construction, facilities, goods or services required, and if doing so will provide best value.
 - c. If the construction, facilities, goods or services are not procured under a standing offer the construction, facilities, goods or services must be procured by a request for quotations where reasonable.
12. For all low value procurement activity having a value of \$10,001 or more:
 - a. The procurement decision must be recommended by a Department Director to the CAO for approval.
 - b. Construction, facilities, goods or services may be procured under a standing offer if one exists for the construction, facilities, goods or services required, and if doing so will provide best value.
 - c. If the construction, facilities, goods or services cannot be procured under a standing offer, the CAO must decide whether the construction, facilities, goods or services must be procured by a request for quotations or by public tender.
13. When selecting the list of suppliers to be provided the opportunity to quote, Town of Middleton personnel will make every effort to ensure a fair and open process is followed. While Town of Middleton personnel are expected to invite only qualified suppliers, they are not to consistently invite bids from only one or a select group of suppliers. Invitations and bidding opportunities are to be equitably distributed among all potential bidders in an area, and all interested and qualified suppliers are to be evaluated on a consistent and equitable basis. Where increased competition is appropriate, Town of Middleton personnel may choose to publicly tender for goods, services, construction or facilities that fall within the above thresholds.
14. *High Value Procurement*
 - a. Goods over \$ 25,000
 - b. Services over \$ 50,000
 - c. Facilities over \$ 50,000
 - d. Construction over \$100,000
15. All procurement activity with a procurement value over the thresholds (excluding taxes) outlined above must be obtained through a public tender, which may be preceded by a request for qualifications or request for expressions of interest. See Appendix 3 of this Policy for an outline of tools available for public tender. The only exception to this would be when Town of Middleton personnel are using an Alternative Procurement Practice, or are accessing a publicly tendered standing offer. All public tender opportunities must be posted on the Province of Nova Scotia Procurement Web Portal. Town of Middleton personnel may wish where appropriate to also advertise in local, provincial, or national media; however, there is no obligation to do so. In addition, a notice of tender opportunity may be sent to selected suppliers where required to ensure an adequate degree of competition. The procurement decision must be made by Council.

16. Municipal staff or Council (whoever has authority to award the contract under this Policy) may approve exceptions to the normal purchasing practices outlined in sections [12] to [15] of this Policy:

- a. when a more competitive process normally used for goods and services of higher value, is used; or
- b. when, in accordance with the criteria described in the "alternative procurement practices" provisions in Appendix 2 or exceptions that are provided for elsewhere in this policy, it is necessary or appropriate that the construction, facilities, goods or services be purchased in accordance with that section.

17. *Alternative Procurement Practices*

In order to balance the need for open, competitive process with the demands of urgent or specialized circumstances, Alternative Procurement Circumstances have been developed. These circumstances must be used only for the purposes intended and not to avoid competition or used to discriminate against specific suppliers. To ensure appropriate use, each circumstance must be documented by Town of Middleton personnel stating the rationale permitting the Alternative Procurement Circumstance, and signed by the CAO. All documents must be filed and maintained for audit purposes. See Appendix 2 for a list of the Alternative Procurement circumstances, as well as further requirements on documentation.

18. *Bid Opening, Evaluation, and Award*

a. *Bid Opening*

Bids are accepted in accordance with the closing time, date, and place stipulated in the bid request documents. Members of the public may receive the list of bidders electronically after bid opening.

b. *Bid Evaluation*

All bids are subject to evaluation after opening and before award of contract. The bid request documents must clearly identify the requirements of the procurement, the evaluation method, evaluation criteria based on the purpose and objectives of this policy, and the weights assigned to each criterion.

c. *Award*

The winning bidder and contract award amount for all high value procurement activity must be posted on the Province of Nova Scotia's Procurement Web Portal. After contracts have been awarded, routine access to information at the vendors' request shall be provided in the following areas:

i. *Bidders list*

- Name of winning bidder
- Award price excluding taxes of the winning bidder
- Access to tender documents or other proprietary information is subject to the provisions of the Freedom of Information and Protection of Privacy Act.

ii. *Supplier Debriefing*

At the request of a supplier who submitted a bid, Town of Middleton personnel will conduct a supplier debriefing session to provide feedback on the evaluation of the public tender. Suppliers can find out how their proposal scored against published criteria, obtain comments on their bid, and gather information on how future bids may be improved. Bids are not compared to others, nor will information on other bids be provided.

iii. Supplier Complaint Process (SCP)

When a supplier is not satisfied with the information provided in a supplier debriefing, the supplier may file a complaint in accordance with the Supplier Complaint Process as defined in the Public Procurement Act. The SCP is not a dispute resolution process, but rather is intended to handle supplier complaints and to improve faulty or misleading procurement processes. The SCP is an integral part of a fair and open procurement policy.

19. Purchase Orders

- a. Generally a purchase order serves as a supporting document for a purchase, identifies the purchasing authority and indicates that funds have been committed for a purchase.
- b. A purchase order will be obtained and approved by the CAO, Department Director, or their designate before any order for construction, facilities, goods or services is placed. In case of emergency approval shall be obtained as soon as possible thereafter.
- c. Purchase orders shall be fully completed and an accurate estimate of the cost is to be given.
- d. Some purchases involve payments of a recurring nature, therefore, after the initial purchase order subsequent purchase orders are not required. They are also not required for legislated mandatory contributions to the Province of Nova Scotia or other levels of government.
- e. A purchase is not to be split into multiple purchase orders to avoid the intent of the purchasing policy and avoid procedures required for the threshold values defined in this policy.
- f. Purchase orders are not required where petty cash accounts may be maintained. Petty cash is for minor purchases which typically are of an immediate nature. The finance department establishes petty cash accounts, procedures and limits.

20. Fair Treatment for Nova Scotia Suppliers

Based on the principle of best value for the Town of Middleton and when deemed to be in their best interest, Town of Middleton personnel may apply a preference for goods valued up to and including \$25,000 that are manufactured or produced in Nova Scotia. The final decision to apply a preference to a Nova Scotia supplier shall be approved by the CAO. Town of Middleton personnel may also choose to apply a Nova Scotia preference or restrict the receipt of quotations at or below the low value procurement thresholds to Nova Scotia suppliers. Any decision made by Town of Middleton personnel should be based on budget considerations, and shall be approved by the CAO.

21. Local Preference and Sustainability Considerations

Town of Middleton staff must give reference to purchasing goods manufactured or produced and services from local businesses in accordance with the following:

- a. In evaluating which goods or services offer best value to the Town of Middleton, the Town of Middleton must apply a preference of 5% to the price offered by a local business as compared with non-local businesses, such that the price offered by the local business is adjusted lower by 5% for the purposes of evaluating which goods or services offer best value.
- b. All requests for quotations and notices of public tender must state that local preference applies to the procurement.
- c. In accordance with the Atlantic Procurement Agreement, the local preference described above does not apply to high value procurement as outlined in section [14] of this Policy.

- d. Pursuant to the *Public Procurement Act*, in evaluating which goods or services offer best value to the Town of Middleton, the Town of Middleton may consider sustainability criteria, meaning environmental considerations, social considerations and economic considerations.
- e. All requests for quotations and notices of public tender must list the sustainability criteria that apply to the procurement.

Other Considerations

22. Cooperative Procurement

Town of Middleton personnel are encouraged to look for opportunities to collaborate with government agencies when the arrangement may result in overall cost savings or other substantial advantages. For example, joint procurement may be appropriate to procure commonly used goods, services, fuel oil, natural gas, telecommunications, etc.

23. Standing Offers

Town of Middleton personnel may access all Province of Nova Scotia standing offers, as well as any standing offer established through the Procurement Advisory Group for the Province should Town of Middleton personnel wish to make use of the savings opportunities.

Obligations under the *Public Procurement Act*

- 24. In addition to the areas already covered by this Policy, the following are additional obligations of the *Public Procurement Act* that the Town of Middleton personnel are required to adhere to with their procurement practices.

- a. *Terms and Conditions*

Every public tender notice must include or have attached the terms and conditions that govern the purchase of goods, services, construction, or facilities. The terms and conditions of every public tender notice must be consistent with the Atlantic Standard Terms and Conditions for the procurement of goods, services, or facilities and the Construction Contract Guidelines developed in collaboration with the Construction Association of Nova Scotia for the procurement of construction.

- b. *Posting Tender Notices and Awards*

All opportunities subject to a public tender must be advertised on the Province of Nova Scotia Procurement Web Portal. Town of Middleton personnel must also post on the Procurement Web Portal the name of the successful bidder for the public tender and the contract amount awarded.

- c. *Code of Ethics*

Town of Middleton personnel and council must ensure their conduct in relation to procurement activity is consistent with the "Duties of public sector entity employees" in the *Public Procurement Act*. This includes a request for removal from a procurement activity when a personal conflict of interest is perceived.

- d. *Other*

- i. *Policy Posting*

Town of Middleton personnel will ensure this policy is posted on the town's web site.

- ii. *Supplier Development Activities*

Town of Middleton personnel will make every attempt where appropriate to participate in vendor outreach activities as requested by the Procurement Governance Secretariat.

iii. *Regulations*

Town of Middleton personnel will make sure that procurement practices remain consistent with any regulations that are adopted under the *Public Procurement Act*.

Purchasing Cards

Objectives

25. The Town of Middleton is committed to:
- a. Reducing the costs of procuring and paying for low dollar value goods, services, and travel expenses by reducing the number of small orders and invoices processed and the number of cheques issued.
 - b. Eliminating the issuance of travel and cash advances in addition to separate payments or registration fees, transportation costs, and accommodations.
 - c. Maintain the existing levels of discounts negotiated with suppliers for prompt payment by providing a more efficient payment process.
 - d. Streamline administrative functions and reduce the time spent by departments processing payments.
 - e. Maintain an acceptable level of accountability and safekeeping of the Town of Middleton's assets by setting appropriate limits and restrictions on the use of cards.

Roles and Responsibilities

26. Purchasing cards may be used by select authorized purchasers for procuring both goods and services for the Town of Middleton. The purchasing card has a transaction limit which is set by the Town of Middleton to meet the cardholder requirements. The CAO shall use discretion in the number of cards in use at the Town of Middleton by reviewing the nature of the positions which have cards and the requirement of their respective departments.
27. Unless a separate and different level has been specifically approved by Council, the purchasing card limits shall be as follows:
- a. Mayor - \$5,000
 - b. CAO - \$5,000
 - c. Directors - \$2,500

These limits are defined as the maximums for individuals the CAO deems appropriate to have a purchasing card. The limits represent the total amount of purchases that can be charged to the card during a one month billing cycle.

28. Under no circumstances shall a transaction be split into two or more separate receipts to bypass the transaction dollar limit on the card or the approval limits of the employee.
29. The purchasing card may not be used to purchase or pay for:
- a. Personal purchases
 - b. Cash advances without approval
 - c. Alcohol

30. Written agreements shall be made with the bank, including fee schedules and processing procedures. The bank may assign a manager to the Town's account in addition to the Town's monitoring mechanisms
31. To enhance accountability, there shall be a segregation of duties involved with purchasing cards, including payment approval, accounting, and reconciliation.

Receiving Goods

32. The cardholder shall keep a copy of all supporting documentation (e.g. cash register and purchasing card receipts, vendor notices, purchase register, etc.) and attach it to the monthly statement. The cardholder shall certify that the goods have been received by signing the sales slip.

Disputed Items and Returns

33. Disputed items are purchases that do not accurately reflect the transactions made by the cardholder (e.g. wrong amount, incorrect account number, multiple posting, etc.) The cardholder shall be responsible for reporting these as soon as possible to the bank and the Director of Finance.
34. Problems with merchants relating to unsatisfactory goods, late delivery, changes from quoted process, etc. shall not be considered disputed items and shall be settled directly with the vendor by the buyer. In the event the goods are to be returned to the supplier, the cardholder shall request a Return Confirmation Number from the supplier along with return instructions and forward the goods back to the supplier in accordance with these instructions. All credits must be processed against the purchasing card; under no circumstances shall a cash refund be permitted.

Billing and Statements

35. Purchases made on the purchasing card shall be the liability of the Town of Middleton. Upon receipt of a monthly bill, the Finance Department will ensure payment is effected promptly to avoid financing charges.

Card Issuance

36. Cards shall be issued in the name of the Town of Middleton and the individual designated by the CAO. The Director of Finance shall be responsible to ensure that the individual is familiar with the guidelines for the use of this card as outlined in this document. Cardholders should be fully trained on the responsibilities associated with the purchasing cards, including telephone, fax and internet purchases, as well as the repercussions if they abuse the card.

Card Cancellation

37. Purchasing cards will be cancelled when the cardholder no longer holds a position approved for a card, no longer requires the card, the card is lost or stolen or when the cardholder has terminated employment with the Town of Middleton. The card may also be cancelled if it is not used in accordance with the guidelines outlined in this document. Any card can be cancelled at any time by the Director of Finance, or the cardholder's manager.
38. A written request from the cardholder's manager shall be forwarded to the Director of Finance with the name of the cardholder and the reason for cancellation. The Director of

Finance shall contact the bank and shall confirm the cancellation. It shall be the responsibility of the manager to ensure that terminated employee's cards are cancelled immediately upon termination from the Town of Middleton. It shall also be the manager's responsibility to ensure that cancelled purchasing cards are returned to the Director of Finance for destruction.

Lost or Stolen Cards

39. All purchasing cards shall remain the property of the Town of Middleton and must be protected in the same way as a personal purchasing card. Should the card be lost or stolen, it shall be the cardholder's responsibility to report the event immediately to the bank and to the Director of Finance. If the cardholder requires assistance with statements, disputed items or other issues, they shall contact the Director of Finance.

Roles and Responsibilities

40. *Director of Finance shall be responsible to:*
- a. Administer and audit the purchasing card program
 - b. Maintain a master list for all cards
 - c. Maintain all original cardholder agreements
 - d. Ensure monthly billings are paid in a timely fashion
 - e. Ensure cardholders are completing statement reconciliations accurately
 - f. Offer training and support to cardholders when issues occur during the process
 - g. Monitor employee activities, print reports, and adjust spending levels
 - h. Perform random audits of purchasing card transactions
 - i. Track historical data to monitor program performance and ensure cost control targets are reached
 - j. Overall administration of purchasing card program
41. *Cardholder shall be responsible for:*
- a. The security of their card and should not share the purchasing card or the card number with other individuals
 - b. The use of the card in accordance with the guidelines outlined in this document and other related policies and procedures
 - c. Confirm budget allocation for items being purchased
 - d. Keep supporting documents (e.g. cash register and purchase card receipts, vendor notices, packing slips, etc.) related to all purchases made with the card for reconciliation
 - e. Contacting the supplier if there are any problems with the order received and address disputes for a resolution
 - f. Ensure all returns are credited to the statement
 - g. Reporting lost or stolen cards to the bank and the Director of Finance
 - h. Returning the card when requested to do so.

Appendix 1 – Definitions

1. *Atlantic Standard Terms & Conditions*

Standard instructions that support public tenders issued by the four Atlantic provinces for goods and services. Supplements may be added if and when required.

2. *Best Value*

Evaluating bids not only on purchase price and life cycle cost considerations, but also taking into account items such as environmental and social considerations, delivery, servicing, and the capacity of the supplier to meet other criteria as stated in the tender documents.

3. *Bid*

A supplier response to a public tender notice to provide goods, services, construction or facilities.

4. *Construction*

The construction, reconstruction, demolition, repair, or renovation of a building, structure, road or other engineering or architectural work, excluding the professional consulting services related to the construction contract unless they are included in the procurement.

5. *Construction Contract Guidelines*

Standard instructions developed in consultation with the Construction Association of Nova Scotia that support construction tenders.

6. *Goods*

Materials, furniture, merchandise, equipment, stationery, and other supplies required by the Town of Middleton for the transaction of its business and affairs and includes services that are incidental to the provision of such supplies.

7. *Facilities (also referred to as Building Leases)*

All building lease requirements covering the conveyance of the right to use tangible building property for a specified period of time in return for rent.

8. *Procurement Activity*

The acquisition of all goods, services, construction, or facilities procured by purchase, contract, lease, or long-term rental.

9. *Procurement Value*

The value of the total contract excluding taxes but including all options whether exercised or not. For Facilities this value is determined by the monthly lease/rent times the term of the contract.

10. *Procurement Web Portal*

The public website maintained by the Province of Nova Scotia where all public tender notices are posted.

11. *Public Advertisement*

Advertising a public tender notice on the procurement web portal.

12. *Public Procurement Act (PPA)*

An Act outlining the rules related to the procurement activity of all public sector entities (including municipalities) in the Province of Nova Scotia.

13. *Public Tender*

Procurement for goods, services, construction, or facilities obtained through public advertisement. (See Appendix 3 for an outline of the various tools that can be used for public tender.)

14. *Public Tender Notice*

Notice of intended procurement for goods, services, construction, or facilities obtained through public advertisement.

15. *Services*

Services required by the Town of Middleton for the transaction of its business and affairs, excluding services provided by an employee through a personal services contract.

16. *Standing Offer*

A standing offer is a contractual arrangement with a supplier to provide certain goods or services on an 'as required' basis, during a particular period of time, at a predetermined price or discount, generally within a predefined dollar limit.

17. *Sustainable Procurement*

Sustainable Procurement involves taking a holistic approach to obtain best value. This will be done by integrating the following considerations in the procurement process:

- a. Environmental considerations: e.g. Green House Gas Reduction, Waste Reduction, Toxic Use Reduction
- b. Economic considerations: e.g. Life Cycle Cost, Fiscal Responsibility, Support for the Local Economy
- c. Social considerations: e.g. Employee Health and Safety, Inclusiveness and Fair Wage, Health Promotion.

Appendix 2 – Alternative Procurement

Only those holding the appropriate role/position may delegate signing authority.

1. *Low Value Purchase*

The CAO may delegate signing authority for low value Alternative Procurement transactions to the head of a given business area. No further approvals will be necessary. The CAO will ensure persons with delegated signing authority will be held accountable for their actions and that all procurement activities by Town of Middleton personnel are properly documented and filed for follow up and audit. The CAO shall remain accountable for the proper use of alternative procurement transactions.

2. *High Value Purchase*

own of Middleton personnel wishing to make use of a high value Alternative Procurement practice (with the exception of an emergency) must consult with the CAO to obtain his or her approval and identify the most appropriate means by which to proceed with the satisfaction of the requirement. If in agreement, CAO may direct Town of Middleton personnel to proceed with the procurement. The CAO may wish to confer with provincial government procurement officials for discussion, validation, and/or alternative options. The CAO may delegate signing authority for high value alternative procurement transactions to an Acting CAO in their absence. All appropriate documentation will be maintained on file for audit purposes. The CAO will ensure persons with delegated signing authority will be held accountable for their actions. The CAO shall remain accountable for the proper use of alternative procurement transactions.

Alternative Procurement Circumstances

3. *No Threshold Restrictions*

Town of Middleton personnel may use the following Alternative Procurement practices as described below for the procurement of goods, services, construction or facilities, with no threshold restrictions:

- a. Where an unforeseeable situation of urgency exists and the goods, services, or construction cannot be obtained in time by means of open procurement procedures. Entities must ensure inadequate planning does not lead to inappropriate use of this exemption.
- b. Where goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open tendering process could reasonably be expected to compromise government confidentiality, cause economic disruption, or otherwise be contrary to the public interest.
- c. Where compliance with the open tendering provisions set out in this Policy would interfere with a Party's ability to maintain security or order, or to protect human, animal, or plant life or health.
- d. In the absence of tenders in response to an open or selective tender, or when the tenders submitted have been collusive, or not in conformity with the essential requirements in the tender.
- e. To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licenses, copyright, and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative.

- f. Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists.
- g. For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly.
- h. For the purchase of goods on a commodity market.
- i. For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor.
- j. For work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work.
- k. For the procurement of a prototype or a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases.
- l. For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases.
- m. For the procurement of original works of art.
- n. For the procurement of subscriptions to newspapers, magazines, or other periodicals.
- o. For the procurement of real property.
- p. For the procurement of goods intended for resale to the public.
- q. For the procurement from philanthropic institutions, prison labour, persons with disabilities, sheltered workshop programs, or through employment equity programs.
- r. For the procurement from a public body or a non-profit organization.
- s. For the procurement of services of expert witnesses, specifically in anticipation of litigation or for the purpose of conducting litigation.

4. Threshold Restrictions

Town of Middleton personnel may use the following Alternative Procurement practices as described below, up to the high value thresholds of this Policy:

- a. For the procurement of goods or services for the purpose of evaluating or piloting new or innovative technology with demonstrated environmental, economic, or social benefits when compared to conventional technology, but not for any subsequent purchases.
- b. For procurement that fosters the development of minority businesses.

Appendix 3 – Procurement Tools

Below is an outline of some of the various tools available for use when issuing a public tender:

1. *Request for Proposal (RFP)*

Used when a supplier is invited to propose a solution to a problem, requirement, or objective. Suppliers are requested to submit detailed proposals (bids) in accordance with predefined evaluation criteria. The selection of the successful proposal is based on the effectiveness, value, and price of the proposed solution. Negotiations with suppliers may be required to finalize any aspect of the requirement.

2. *Request for Construction (RFC)*

Used to publicly tender for a construction, reconstruction, demolition, remediation, repair, or renovation of a building, structure, road, bridge, or other engineering or architectural work. When a supplier is invited to bid on a construction project the tender documents usually contain a set of terms and conditions and separate bid form that apply to that specific project. Suppliers are requested to submit a response (bid) in accordance with predefined criteria. The selection of the successful proposal is based on a number of factors as described in the tender documents. A request for construction usually does not include professional consulting services related to the construction contract, unless they are included in the specifications.

3. *Request for Quotation (RFQ)*

A request for quotation on goods or products with a minimum specification. Award is usually made based on the lowest price meeting the specification. An RFQ does not normally but may sometimes include evaluation criteria.

4. *Request for Standing Offer (RSO)*

A public tender to provide commonly used goods or services. The term of the standing offer can vary in duration but will be clearly defined in the tender documents. RSO's may include evaluation criteria depending on the requirement.


5. *Request for Expression of Interest (REI)*

The Request for the Expression of Interest is similar to the Request for Proposal and is sometimes referred to as a Pre-Qualification, where suppliers are invited to propose a solution to a problem. The REI, however, is only the first stage in the procurement process. Bidders responding to the REI will be short listed according to their scoring in the evaluation process. The short listed firms will then be invited to respond to a subsequent Request for Proposal. A REI does not normally include pricing as price is a key evaluation criteria used in the second stage RFP process.

Certification

THIS IS TO CERTIFY that this policy was duly passed by a majority vote of the whole Council at a duly called Council meeting held on the 8th day of September, 2015.

GIVEN under the hand of the CAO and under the seal of the Town of Middleton this 9th day of November, 2015.


Rachel L. Turner
Chief Administrative Officer

