

**THE CORPORATION OF THE COUNTY OF LANARK  
BY-LAW NO. 2023-45**

**BEING A BY-LAW TO AUTHORIZE THE ADOPTION OF THE PROCUREMENT  
OF GOODS AND SERVICES POLICY FOR THE CORPORATION OF THE  
COUNTY OF LANARK**

**WHEREAS**, Section 5 (3) of the Municipal Act 2001 S.O. Chapter 25 as amended states that the powers of a municipality shall be exercised by by-law;

**AND WHEREAS**, a municipality shall adopt policies with respect to its procurement of goods and services in accordance with Section 270.1 of the Municipal Act 2001 S.O. Chapter 25 as amended;

**AND WHEREAS**, the Corporation of the County of Lanark deems it expedient to adopt a policy for the procurement of goods and services;

**NOW THEREFORE BE IT RESOLVED THAT**, the Council of the Corporation of the County of Lanark enacts as follows;

- 1.** The Procurement of Goods and Services Policy is hereby adopted and attached hereto as Schedule "A" and forming part of this By-Law.
- 2.** The By-Law shall come into full force and effect on the day of its passing.
- 3.** By-Law 2013-50 is hereby repealed.
- 4.** Should any sections of this by-law, including any section or part of any schedules attached hereto be declared by a court of competent jurisdiction to be ultra vires, the remaining sections shall nevertheless remain valid and binding.

By-Law read a first and second time this 22<sup>nd</sup> day of November, 2023.

By-Law read a third time and finally passed this this 22<sup>nd</sup> day of November, 2023.

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Jasmin Ralph, Clerk

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Steve Fournier , Warden

# LANARK COUNTY

CORPORATE SERVICES  
FINANCE

**POLICY FOR PROCUREMENT OF GOODS AND  
SERVICES**

<b>CORPORATE POLICIES AND PROCEDURES</b>			
<b>SECTION:</b> Corporate Services - Finance			<b>POLICY #:</b> CS-02
<b>POLICY:</b> Procurement of Goods and Services			
<b>DATE:</b> November 22, 2023	<b>REV. DATE:</b>	<b>COVERAGE:</b> All Departments	<b>PAGE #:</b> 2 of 40

**POLICY STATEMENT:**

The County of Lanark will purchase goods and services for its operations as outlined in this policy.

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## **1.0 PURPOSES, GOALS AND OBJECTIVES OF THIS BY-LAW**

- 1.1 The objective of this Policy is to obtain best value when purchasing goods, construction and services for the County, while treating all suppliers equitably.
- 1.2 The guiding procurement principle supports that, wherever possible, purchases be made using a competitive process that is open, transparent and fair to all suppliers.
- 1.3 To avoid real and perceived conflicts between the interests of the Corporation and those of the Corporation's employees and elected officials and to ensure compliance with the *Municipal Conflict of Interest Act*, R.S.O. 1990, c.M.5, as amended.
- 1.4 To promote, and incorporate wherever possible in Purchasing activities of the Corporation, the requirements of Section 13 of the *Ontarians with Disabilities Act*, 2001, S.O. 2001, Chap. 32, the *Accessibility for Ontarians with Disabilities Act, 2005*, and all related regulations requiring regard to accessibility for persons with disabilities.
- 1.5 To adhere to the code of ethics of the National Institute of Government Purchasing and the Purchasing Management Association of Canada.
- 1.6 These objectives and principles are reflected in this Policy.

## **2.0 DEFINITIONS**

- 2.1 "Award" means authorization to proceed with the purchase of goods, services or construction from a chosen supplier.

"Best Value" means the optimal balance of performance and cost determined in accordance with a pre-defined evaluation plan.

"Bid" means an offer or submission from a supplier in response to a bid solicitation.

"Bid Solicitation" means a formal request for bids that may be in the form of a Request for Quotation, Request for Qualifications, Request for Tender, Request for Proposal or Request for Standing Offer.

"Chief Administrative Officer" means the County's employee with that title or person acting in that capacity as designated by By-Law.

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"Construction" means a construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials and the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional services related to the construction contract unless they are included in the procurement.

"Contract" means a binding agreement by way of a Purchase Order or a formal agreement between two or more parties that creates an obligation to do or not to do a particular thing.

"Council" means the Council of the Municipal Corporation of the County of Lanark.

"Council approved estimates" means Council approved departmental budgets, including authorized revisions.

"County" means the Municipal Corporation of the County of Lanark.

"Director" means the County employee with administrative responsibilities for the operation of a County department.

"Disposal" means the removal of material/equipment from the County by sale, trade-in, alternative use or destruction.

"Employee-Employer Relationship" means a relationship that exists where persons for pay or other consideration, enter into the service of others and devote their personal labour for any given period and the other person has the power or right to control or direct the person in the material details of how the work is to be performed.

"Fair Market Value" means the price that would be agreed to in an open and unrestricted market between knowledgeable and willing parties dealing at arm's length, who are fully informed and not under any compulsion to transact.

"Follow-on Contract" means a contract, which represents an extension to a contract, which was previously awarded to a supplier, contractor or consultant.

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"Formal Agreement" means an agreement developed for the purposes of entering into a contractual agreement for the provision of goods or services. The agreement shall specify the terms of reference, terms of payment, respective responsibilities, etc.

"Goods" means moveable property including, the costs of installing, operating, maintaining or manufacturing such moveable property and raw materials, products, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form, unless they are procured as part of a construction contract.

"Highest Technical Bid" means the bid that would provide the County with the best product or service, as measured by the evaluation criteria.

"Holdback" means an amount withheld under the terms of the contract other than the "Statutory Holdback" to ensure the complete performance of the contract and to avoid overpayment in relation to progress of work.

"Lowest Responsive Bid" means the bid that would provide the County with the desired goods, services and construction at the lowest cost, meets all the specifications and contains no major irregularity or qualifications.

"Professional Services" means services requiring the skills of professionals for a defined service requirement including, architects, engineers, designers, management, auditors and financial consultants and firms or individuals having specialized competence in environmental, planning or other disciplines.

"Progress Payment" means a payment made under the terms of a contract after the performance of the part of the contract in respect of which payment is made but before the performance of the whole contract.

"Proposal" means a bid submitted in response to a Request for Proposal.

"Purchase" means to acquire goods, services or construction by purchase, rental, lease or trade.

"Purchase Order" means a written offer to a supplier formally stating all terms and conditions for the purchase of goods, services or construction or a written acceptance of an offer received in accordance with this Policy.

"Quote" means a bid submitted in response to a Request for Quotation.

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"Request for Proposal" means a bid solicitation based on relevant specifications and where suppliers are invited to propose a solution. Award will be based on an evaluation process, not just cost.

"Request for Quotation" means a bid solicitation where written quotes are received from suppliers without formal advertising or receipt of sealed bids.

"Request for Tender" means a bid solicitation based on relevant specifications, terms and conditions where the recommendation to award the contract is intended to be the lowest responsive bidder.

"Security Deposit" means a deposit of securities by a supplier that the County may convert under defined conditions to complete the suppliers contractual obligation.

"Selection Committee" means a committee comprised of at least three staff members who are knowledgeable about a project under review and charged with the responsibility of evaluation of proposal submissions. The Director shall appoint the committee members.

"Special Circumstance" means:

- a) an event that is exceptional or could not be foreseen and is a threat to the health, safety or welfare of the public;
- b) an event that could cause loss or damage to public or other property, or
- c) an event that has disrupted essential services that need to be re-established without delay.

"Standing Offer" means an offer from a supplier that allows the County to purchase frequently ordered goods, services or construction from suppliers at prearranged prices, under set terms and conditions, when and if these are requested but no contract exists until the County places an order against the Standing Offer.

"Statutory Holdback" means the amount retained by the County in accordance with the requirements of the Construction Lien Act R.S.O. 1990, Chapter C.30 as amended.

"Substantive Objection" means a written objection provided to the Director or the Chief Administrative Officer, by an interested party giving specific reasons for the



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objection and subject to the proviso that the objection is not precluded by legislation or applicable trade agreements.

"Tender" means a written detailed offer to supply goods, services or construction.

"Terms of Reference" means an identification of the specific requirements that a vendor supplier or service provider must undertake in the execution of a contract.

"Treasurer & Deputy Treasurer" means the County's employee with that title or acting in that capacity.

2.2 To establish the definition of any other purchasing term not herein included, reference shall be made to the latest edition of the National Institute of Governmental Purchasing Guide.

2.3 Schedules "A, B, C & D" attached hereto, forms part of this Policy.

### **3.0 GENERAL PROCUREMENT POLICY APPLICATION**

3.1 The procedures prescribed in this Policy shall be followed to make a contract award or to make a recommendation of a contract award to Council.

### **4.0 RESPONSIBILITIES AND AUTHORITIES**

4.1 Directors have responsibility for procurement activities within their departments and are accountable for achieving the specific objectives of the procurement project.

4.2 Directors and the Chief Administrative Officer have authority to award contracts in the circumstances specified in this Policy, provided the delegated power is exercised within the limits prescribed in this Policy and the requirements of this Policy are met.

4.3 The Chief Administrative Officer has the authority to instruct Directors not to award contracts but to submit recommendations to Council for approval. The Chief Administrative Officer may provide additional restrictions concerning procurement, where such action is considered necessary and in the best interest of the County.

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## **5.0 REQUIREMENT FOR FUNDING APPROVAL**

- 5.1 The exercise of authority to award a contract is subject to the identification and availability of sufficient funds in appropriate accounts, within Council approved estimates.
- 5.2 Where goods and services are routinely purchased or leased on a multi-year basis, the exercise of authority to award a contract is subject to:
- a) the identification and availability of sufficient funds in appropriate accounts for the current year within Council approved estimates, and
  - b) the requirement for the goods or services will continue to exist in subsequent years and in the opinion of the Treasurer, the required funding can reasonably be expected to be made available.

## **6.0 RESTRICTIONS**

- 6.1 No requirement may be divided into two or more parts to avoid the application of the provisions of this Policy.
- 6.2 Purchase requisitions for services, where the services could result in the establishment of an employee - employer relationship, are not permitted.
- 6.3 Total Project Cost: Where this Policy prescribes financial limits on purchases that may be awarded on the authority of staff approval authority, or provides for financial limits on purchases required to be reported to Council, for the purpose of determining whether a purchase falls within these prescribed limits, the purchase amount shall be the sum of:

All costs to be paid to the supplier under the contract, excluding all taxes, less any rebates.

In the case of a multi-year supply and/or service contract, the pre-authorized expenditure limit shall refer to the estimated annual expenditure under the contract.

## **7.0 PRESCRIBED COUNCIL APPROVAL**

- 7.1 Despite any other provision of this Policy, the following contracts are subject to Council approval:
- a) any contract requiring approval from the Ontario Municipal Board;

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- b) any contract prescribed by Statute to be made by Council;
- c) where the cost amount proposed for acceptance is \$500,000 higher than the Council approved departmental estimates. When there is a budget deviation on price greater than \$15,000 but less than \$100,000 a Director shall submit a report seeking approval to proceed with contract award to the CAO;
- d) where the revenue amount proposed for acceptance is \$500,000 lower than the Council approved departmental estimates. When estimated revenues are between \$15,000 and \$100,000 lower than approved departmental estimates a Director shall submit a report seeking approval to proceed with contract award to the CAO;
- e) where a substantive objection emanating from the bid solicitation has been filed with the Director or with the Chief Administrative Officer;
- f) where a major irregularity precludes the award of a tender to the supplier submitting the lowest responsive bid, and
- g) where authority to approve has not been expressly delegated.

## 8.0 TRADE AGREEMENTS

- 8.1 Procurements by the County may be subject to the provisions of trade agreements.
- 8.2 Where an applicable trade agreement is in conflict with this Policy, the trade agreement shall take precedence.

## 9.0 NOTIFICATION REQUIREMENTS

- 9.1 *Request for Quotations* require the receipt of at least three written quotations. There is no formal advertising requirement or sealed tenders.
- 9.2 *Request for Tenders* require that an advertisement be placed on the website for the Corporation, from the date that the Bid Solicitation is issued up to and including the date on which the Bid Solicitation closes.
- 9.3 *Request for Proposals* with an estimated cost up to \$100,000 are to be sought (i.e. invited) from a minimum of three qualified firms.

*Request for Proposals* with costs estimated to be in excess of \$100,000 require that an advertisement be placed on the website for the Corporation, from the date that the Bid Solicitation is issued up to and including the date on which the Bid Solicitation closes.

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9.4 *Further Notification* - Notwithstanding the provisions of Sections 9.1 - 9.3 inclusive, supplementary notification of procurement opportunities, where deemed appropriate by the Director, may be made available to suppliers situated in the County of Lanark. The nature of this supplementary notification will be at the determination of the Director.

## **10.0 PROCUREMENT DOCUMENTATION**

10.1 Procurement documentation shall avoid use of specific products or brand names.

10.2 The use of standards in procurement documentation that have been certified, evaluated, qualified, registered or verified by independent nationally recognized and industry-supported organizations, such as the Standards Council of Canada, shall be preferred.

10.3 Notwithstanding Section 10.1, a Director may specify a specific product or brand name for essential functionality purposes, to avoid unacceptable risk or for some other valid purpose. In such instances, the Director shall manage the procurement to achieve a competitive situation if possible.

10.4 Directors shall:

- a) give consideration to the need for value analysis comparisons of options or choices, and
- b) ensure that adequate value analyses comparisons are conducted to provide assurance that the specification will provide best value.

## **11.0 LEGAL SERVICES**

11.1 The Chief Administrative Officer shall be advised whenever legal services are estimated to be in excess of \$15,000.

11.2 The Director may approve legal services with an estimated cost less than \$25,000.

11.3 For legal services with an estimated cost between \$25,000 and \$100,000, the approval of the Chief Administrative Officer is required.

11.4 For legal services with an estimated cost in excess of \$100,000, the Chief Administrative Officer shall obtain the approval of County Council. The Chief Administrative Officer's report to Council shall remain confidential unless otherwise directed by County Council.

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## **12.0 AUDITING SERVICES**

- 12.1 The County shall appoint an auditor licensed under the Public Accounting Act, 2004 who was responsible for:
- a) annually auditing the accounts and transactions of the County and its local boards and expressing an opinion on the financial statements of these bodies based on the audits; and
  - b) performing duties required by the municipality or local board.
- 12.2 An auditor of the County shall not be appointed for a term exceeding five years.
- 12.3 Prior to or upon the expiry of the current term of appointment, the Chief Administrative Officer has the authority to seek and obtain a proposal from the auditing firm for continued service.
- 12.4 If the proposal received under section 12.3 is considered reasonable and appropriate by the Chief Administrative Officer, the Chief Administrative Officer shall obtain the approval of County Council to reappoint the Auditing firm for a term not to exceed five years from the date of the expiry of the current appointment.
- 12.5 Should the proposal received under 12.3 not be considered reasonable and appropriate by the Chief Administrative Officer, or if the Chief Administrative Officer does not exercise their authority under section 12.3 above, the provisions of this by-law shall be followed to procure the auditing firm for the County of Lanark.

## **13.0 CANCELLATION OF A BID SOLICITATION**

- 13.1 A Director may cancel a bid solicitation at any time.
- 13.2 The Director shall ensure that the confidentiality of any bid submitted is maintained in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, as amended.

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#### **14.0 GENERAL PROCUREMENT PROCEDURES**

14.1 The following are authorized procedures and project cost limits for the procurement of goods, services or construction:

<b>Procedure</b>	<b>Project Cost</b>
Petty Cash	\$400 or less
Credit Card	\$15,000 or less
Request for Quotation	\$50,000 or less
Request for Tender	Any Value
Request for Proposal	Any Value
Request for Standing Offer	\$50,000 or less

14.2 The above procedures are fully described in Sections 15 to 21 inclusive. Schedule "A" provides a summary in tabular form of the levels of contract approval.

14.3 Request for Quotation and Request for Tender procedures, shall be used where a requirement can be fully defined and best value for the County can be achieved, by an award selection made on the basis of the lowest responsive bid.

14.4 The Request for Proposal procedure shall be used, where, to achieve best value, the award selection will be made on a formal evaluation. Criteria will be established, involving a combination of mandatory and desirable requirements, where the requirement is best described in a general performance specification and where innovative solutions are sought.

14.5 Requests for Proposals/tenders will be evaluated on the following basis:

- a) The County shall have the right to reject any or all proposals for any reason, or to accept any proposals which the County in its sole unfettered discretion deems most advantageous to itself. The lowest, or any, proposals will not necessarily be accepted and the County shall have the unfettered right to:
  - i. Accept a non-compliant tender/Request for Proposal;
  - ii. Accept a tender/Request for Proposal which is not the lowest tender; and

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iii. Reject a tender/Request for Proposal that is the lowest bid even if it is the only tender received.

b) The County reserves the right to consider, during the evaluation of proposals all or some of the following criteria in assessing a tender, none of which shall be binding on the County;

- i. information provided in the tender/Request for Proposal document itself, including but not limited to information relating to: the bidder's understanding of the project, quality of submission, cost savings, process improvements for the County, project schedule and cost;
- ii. information provided in response to enquiries of credit and industry references set out in the tender/Request for Proposal;
- iii. past performance in the provision of services to the County or local municipalities in the County of Lanark;
- iv. information received in response to enquiries made by the County of third parties apart from those disclosed in the tender/Request for Proposal in relation to the reputation, reliability, experience and capabilities of the bidder;
- v. the manner in which the bidder provides services to others;
- vi. the experience and qualification of the bidder's senior management, and project management;
- vii. the compliance of the bidder with the County's requirements and specifications;
- viii. innovative approaches proposed by the bidder in the tender, and,
- ix. the County's policies relating to tendering and issuing contracts to third parties.

c) The County may rely upon the criteria which the County deems relevant, even though such criteria may not have been disclosed to the bidder. By submitting a bid, the bidder acknowledges the County's rights under this Section and absolutely waives any right, or cause of action against the County and its consultants, by reason of the County's failure to accept the bid submitted by the bidder, whether such right or cause of action arises in contract, negligence, or otherwise.

14.6 Services for which the requirement is best described by a combination of mandatory and desirable elements and where best value is achieved by an evaluation in accordance with pre-defined criteria, should be purchased by a Request for Proposal.

14.7 The Director shall provide specific Terms of Reference for services for contracts of an estimated value greater than \$15,000.

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14.8 A general scope established by the Director that describes requirements in less detail than for a Terms of Reference, is sufficient for contracts of an estimated value of \$15,000 or less.

14.9 Where a requirement has corporate-wide application or applies to two or more departments, one Director shall manage the procurement, keeping other effected Directors informed and be accountable for the authorization of the procurement.

**15.0 PURCHASES OF \$400 OR LESS**

15.1 The Treasurer shall have authority to establish a Petty Cash fund in such an amount to meet the requirements of a department for the acquisition of goods, services or construction having a value of \$400 or less.

15.2 Expenditures not exceeding \$400 including purchases of goods, services and construction may be made from Petty Cash in any one instance. Petty Cash should only be used when it is not feasible to use a credit card.

15.3 Purchases made pursuant to Section 15.1 shall be made from the competitive marketplace wherever possible.

15.3 All petty cash disbursements shall be evidenced by vouchers.

**16.0 PURCHASES NOT EXCEEDING \$15,000**

16.1 Payment for purchases of goods, services or construction not exceeding \$15,000 in value, incurred in the general administration of a department, may be made using:

- a) a properly authorized credit card;
- b) a properly authorized purchase order, or
- c) from a supplier's invoice, where the requirements of Sections 16.2 to 16.5 inclusive, have been complied with.

16.2 The procedure used to purchase the goods, services or construction shall demonstrate that fair market value was achieved.

16.3 The procedure used to make purchases exceeding \$15,000 shall include evidence that the Director obtained a minimum of three verbal or written quotes unless Section 16.4 applies.



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16.4 The Director may directly select a supplier to provide professional services without obtaining quotes where the total cost of the professional services does not exceed \$25,000.

16.5 For purchases not exceeding \$100,000 in value, the Director may delegate his/her authority to a designate, provided the designate follow the requirements of this Policy.

**17.0 PURCHASES NOT EXCEEDING \$50,000**

17.1 Subject to Section 17.2, requirements estimated at \$50,000 or less, should be handled by the Request for Quotation procedure; however, there may be requirements estimated at \$50,000 or less where it will be more appropriate to solicit bids using a Request for Tender or a Request for Proposal.

17.2 The Request for Quotation is a bid solicitation where written quotes are obtained from suppliers without formal advertising or receipt of sealed bids.

17.3 In advance of a solicitation, the Director shall be responsible for the development of specifications, terms and conditions for the purchase of goods, services or construction.

17.4 Directors may award contracts emanating from a Request for Quotation not exceeding \$50,000 provided that:

- a) sufficient funds are available and identified in appropriate accounts within Council approved departmental estimates, including authorized revisions, and
- b) the award is to the lowest responsive bidder, provided the provisions of this Policy are followed.

17.5 Where the authority referred to in Section 17.4 is exercised, written documentation respecting the award of the contract is to be kept in a procurement file.

17.6 The purchase of goods, services or construction referred to in Section 17.1, shall be made through the issue of a Purchase Order or Supplier Invoice.

17.7 The use of a Standing Offer shall also be an acceptable procurement process where appropriate, for purchases not exceeding \$50,000.

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17.8 The Director, with the approval of the Chief Administrative Officer, may select a supplier to provide professional services through the Standing Offer where:

- a) the estimated total cost does not exceed \$50,000, and
- b) the cost of preparing a detailed proposal would deter suppliers from submitting proposals.

**18.0 PURCHASES EXCEEDING \$50,000 – REQUEST FOR TENDER**

18.1 A Request for Tender shall be used for purchases exceeding \$50,000, where all of the following criteria apply:

- a) two or more sources are considered capable of supplying the requirement
- b) the requirement is adequately defined to permit the evaluation of tenders against clearly stated criteria
- c) the market conditions are such that tenders can be submitted on a common pricing basis
- d) it is intended to accept the lowest priced responsive tender without negotiations

18.2 In advance of a solicitation, the Director or his/her designate, shall develop the relevant specifications, terms and conditions for the acquisition of goods, services and construction.

18.3 The Director shall recommend the award of contract to the lowest responsive bidder.

18.4 The Chief Administrative Officer may award contracts up to \$500,000 emanating from a Request for Tender provided that:

- a) the award is to the lowest responsive bidder, and
- b) sufficient funds are available and identified in appropriate accounts within Council approved departmental estimates, including authorized revisions.

18.5 Where the authority referred to in Section 18.4 is exercised, written notification respecting the award of the contract is to be kept in a procurement file.

18.6 The Director shall follow the provisions of Section 29.0, regarding the award of contract, using an agreement or Purchase Order.

18.7 Awards emanating from a Request for Tender that are greater than \$500,000 require the approval of County Council.

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## 19.0 PURCHASES EXCEEDING \$50,000 – REQUEST FOR PROPOSAL

- 19.1 A *Request for Proposal* should be used where one or more of the criteria for issuing a Request for Tender cannot be met, such as:
- a) owing to the nature of the requirement, suppliers are invited to propose a solution to a problem, requirement or objective and the selection of the supplier is based on the effectiveness of the proposed solution rather than on price alone, or
  - b) it is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirement.
- 19.2 In advance of a solicitation, the Director or his/her designate, shall develop terms of reference and evaluation criteria to be applied in assessing the proposals submitted.
- 19.3 Where the requirement is not straightforward or an excessive workload would be required to evaluate proposals, either due to their complexity, length, number or any combination thereof, a multi-step procedure may be used that would include a pre-qualification stage, to ensure the workload is at a manageable level.
- 19.4 A Selection Committee shall be established to review all proposals against pre-established criteria and reach consensus on the final rating results. The final rating results with supporting documents are to be kept in a procurement file.
- 19.5 The Chief Administrative Officer may award a contract of \$500,000 or less, emanating from a Request for Proposal provided that:
- a) sufficient funds are available and identified in appropriate accounts within Council approved departmental estimates, including authorized revisions
  - b) the award is made to the supplier meeting all mandatory requirements and providing best value, as stipulated in the Request for Proposal
  - c) the provisions of this Policy are followed
- 19.6 Where the authority referred to in Section 19.5 is exercised, written notification respecting the award of the contract is to be kept in a procurement file.
- 19.7 Awards emanating from a Request for Proposal that are greater than \$500,000 require the approval of County Council.

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19.8 The Director shall follow the provisions of Section 29.0, regarding the award of contract, using an agreement or Purchase Order.

## **20.0 STANDING OFFER PURCHASES**

20.1 A Request for Standing Offer may be used where:

- a) one or more Departments repetitively order the same goods or services and the actual demand is not known in advance, or
- b) a need is anticipated for a range of goods, services and construction for a specific purpose, but the actual demand is not known at the outset and delivery is to be made when a requirement arises.

20.2 Each Department may establish and maintain Standing Offers that define source and price with selected suppliers for all frequently used goods or services.

20.3 To establish prices and select sources, the department shall employ the provisions contained in this Policy for the acquisition of goods, services and construction.

20.4 More than one supplier may be selected, where it is in the best interest of the County and the bid solicitation allows for more than one.

20.5 Where purchasing action is initiated by a department for frequently used goods or services, for which a standing offer is in place and the value of the purchasing action exceeds \$15,000, it may be made with the supplier or suppliers listed in the Standing Offer.

20.6 In a Request for Standing Offer, the expected quantity of the specified goods or services to be purchased over the time period of the agreement, will be as accurate an estimate as practical and be based, to the extent possible, on previous usage adjusted for any known factors that may change usage.

20.7 A call-up against a Standing Offer is considered to be an individual contract and the normal contract award prescribed limits apply, unless otherwise stated in the original approval document.

## **21.0 NON-COMPETITIVE PURCHASES**

21.1 The requirement for competitive bid solicitation for goods, services and construction may be waived under joint authority of the appropriate Director and the Chief Administrative Officer, under the following circumstances:

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- a) where competition is precluded due to the application of any Act or legislation or because of the existence of patent rights, copyrights, technical secrets or controls of raw material
- b) where due to abnormal market conditions, the goods, services or construction required are in short supply
- c) where only one source of supply would be acceptable and cost effective
- d) where there is an absence of competition for technical or other reasons and the goods, services or construction can only be supplied by a particular supplier and no alternative exists
- e) where the nature of the requirement is such that it would not be in the public interest to solicit competitive bids as in the case of security or confidentiality matters
- f) where in the event of a "Special Circumstance" as defined by this Policy, a requirement exists
- g) where the extension or reinstatement of the existing contract would be the most cost effective or beneficial method and is in the best interest of the County
- h) where the total estimated project cost for professional services does not exceed \$50,000 and the Standing Offer process (Section 20) is utilized
- i) where the requirement is for a utility for which there exists a monopoly
- j) the compatibility of a Purchase with existing equipment, product standards, facilities or service is a paramount consideration and that purchase must be made from a sole source.

21.2 When a Director intends to select a supplier to provide goods, services or construction, pursuant to Section 21.1, the Chief Administrative Officer is to be advised in writing of the compelling rationale that warrants a non-competitive selection for approval.

21.3 The Director shall follow the provisions of Section 29.0 regarding the use of an Agreement or Purchase Order.

21.4 Any non-competitive contract that does not satisfy the provisions of Section 21.1 is subject to the Chief Administrative Officer's approval.

21.5 Routine Departmental requirements for paper products, office supplies may be purchased without formal competition provided it can be demonstrated that fair market value is attained.

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## **22.0 SPECIAL CIRCUMSTANCE PURCHASES**

- 22.1 When a Director is of the opinion that a "Special Circumstance" warrants a non-competitive purchase pursuant to Section 21.1, f), the Director may authorize the purchase of such goods, services and construction as is considered necessary to remedy the situation without regard to the requirement for a bid solicitation and may award the necessary contract provided that the contract does not exceed \$100,000.
- 22.2 Where the extent or the severity of the "Special Circumstance" to warrant a sole source purchase pursuant to Section 21.1, f), is such that the expenditure is likely to be between \$100,000 and \$500,000, the Chief Administrative Officer may award the necessary contracts for the purchase of such goods, services and construction, as is considered necessary to remedy the situation without regard to the requirement for a bid solicitation, provided that adequate funds have been appropriated from accounts within the Council approved estimates. All purchases made under provisions 22.1 and 22.2 shall be reported to County Council at the first possible opportunity.
- 22.3 The relevant details surrounding the application of Sections 22.1 and 22.2 shall be included in the report submitted to Council pursuant to Section 37.

## **23.0 "FOLLOW-ON" NON-COMPETITIVE CONTRACTS**

- 23.1 Where a reasonable likelihood exists that on completion of a contract, it will be necessary to award a non-competitive contract for follow-on goods or services, the Director shall ensure that the possibility of a follow-on contract will be identified in the original bid solicitation.

## **24.0 CONTRACT WITHOUT BUDGETARY APPROPRIATION**

- 24.1 Where a requirement exists to initiate a project for which goods, services or construction are required and funds are not contained in appropriate accounts within the Council approved departmental estimates, to meet the proposed expenditure, the Director shall, prior to the commencement of the purchasing process, submit a report through the appropriate Committee of the Whole containing:
- information surrounding the requirement to contract;
  - the terms of reference to be provided in the contract, and

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- information on the availability of the funds within existing estimates, which were originally approved by Council for other purposes or on the requirement for additional funds.

## **25.0 BID AND CONTRACT ADMINISTRATION SUBMISSION OF BIDS**

25.1 Bids shall be accepted in paper and electronic form, ensuring confidentiality and security, including maintaining the "sealed" nature of bids, as long as necessary where required.

## **26.0 NO ACCEPTABLE BID OR EQUAL BIDS RECEIVED**

26.1 Where bids are received in response to a bid solicitation but exceed budget, are not responsive to the requirement or do not represent fair market value, a revised solicitation shall be issued in an effort to obtain an acceptable bid unless Section 26.2 applies.

26.2 The Director may waive the need for a revised bid solicitation and enter negotiations with the lowest responsive bidder or the highest responsive bidder for a revenue-driven bid selection, emanating from a bid solicitation under the following circumstances:

- a) the total cost of the lowest responsive bid is in excess of the funds appropriated by Council for the project, or
- b) the Director and the Chief Administrative Officer agree that the changes required to achieve an acceptable bid will not change the general nature of the requirement described in the bid solicitation

26.3 In the case of building construction contracts, where the total cost of the lowest responsive bid is in excess of the appropriation made by Council, negotiations shall be made in accordance with the guidelines established by the most current Canadian Construction Documents Committee.

26.4 If two equal bids are received, the following process shall be employed as a means of breaking the tie:

- the names of the tied bidders shall be placed in a container and the bid to be recommended to Council for award, shall be drawn by the Chief Administrative Officer or designate, in the presence of the Director or designate and the Treasurer or designate.

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## **27.0 GUARANTEES OF CONTRACT EXECUTION AND PERFORMANCE**

- 27.1 The Director may require that a bid be accompanied by a Bid Deposit or other similar security, to guarantee entry into a contract.
- 27.2 In addition to the security referred to in Section 27.1, the successful supplier may be required to provide a Performance Bond to guarantee the faithful performance of the contract and a Payment Bond to guarantee the payment for labour and materials to be supplied in connection with the contract.
- 27.3 The Director shall select the appropriate means to guarantee execution and performance of the contract. Means may include one or more of, but are not limited to, financial bonds or other forms of security deposits, provisions for liquidated damages, progress payments, and holdbacks.
- 27.4 Prior to commencement of work and where deemed appropriate, evidence of Liability Insurance Coverage satisfactory to the Director must be obtained, ensuring indemnification of the County of Lanark from any and all claims, demands, losses, costs or damages resulting from the performance of a supplier's obligations under the contract.
- 27.5 Prior to payment to a supplier, a Certificate of Clearance from the Workplace Safety and Insurance Board shall be obtained, ensuring all premiums or levies have been paid to the Board to date.
- 27.6 The Director shall ensure that the guarantee means selected will:
- a) not be excessive but sufficient to cover financial risks to the County;
  - b) provide flexibility in applying leverage on a supplier so that the penalty is proportional to the deficiencies, and
  - c) comply with Provincial Statutes and Regulations.
- 27.7 Financial bonds for contract performance, shall only be required where the County will be exposed to costs if the contractor does not complete the requirements of the contract.

## **28.0 IRREGULARITIES CONTAINED IN BIDS**

- 28.1 The process for administering irregularities contained in bids pertaining to all contracts, are set out in Schedule "B".



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28.2 For an irregularity listed in the first column of Schedule "B", the applicable response is identified in the second column of Schedule "B".

### **29.0 CONTRACTUAL AGREEMENT**

29.1 The award of contract may be made by way of an Agreement, Supplier Invoice or a Purchase Order.

29.2 A Purchase Order is to be used when the resulting contract is straightforward and will contain the County's standard terms and conditions.

29.3 A Formal Agreement is to be used when the resulting contract is complex and will contain terms and conditions other than the County's standard terms and conditions.

29.4 It shall be the responsibility of the Director and/or the County Solicitor, to determine if it is in the best interest of the County to establish a Formal Agreement with the supplier.

29.5 Where it is determined that Section 29.4 is to apply, the Formal Agreement may be reviewed and approved for execution by the County's Solicitor.

29.6 Where a Formal Agreement is required, as a result of the award of a contract by delegated authority, the Director shall execute the agreement in the name of the County of Lanark.

29.7 Where a Formal Agreement is not required, a Purchase Order incorporating the terms and conditions relevant to the award of contract, shall be issued.

### **30.0 EXERCISE OF CONTRACT RENEWAL OPTIONS**

30.1 Where a contract contains an option for renewal, the Director may authorize the renewal provided that:

- a) the supplier's performance in supplying the goods, services or construction, is considered to have met the requirements of the contract;
- b) the Director agrees that the renewal option is in the best interest of the County, and;
- c) funds are available in appropriate accounts within the Council approved estimates, including authorized revisions, to meet the proposed expenditure.

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30.2 The authorization from the Director shall include a written explanation as to why the renewal is in the best interest of the County, which shall include comment on the market situation and trend.

### **31.0 CONTRACT AMENDMENTS AND REVISIONS**

31.1 No amendment that changes the price of a contract shall be agreed to without a corresponding change in requirement or scope of work.

31.2 Amendments to contracts are subject to the identification and availability of sufficient funds in the appropriate accounts within Council approved divisional estimates, including authorized revisions.

31.3 Directors may authorize amendments to contracts provided that the total amended value of the contract is within the approval authority of the Director.

31.4 The Chief Administrative Officer's approval is required for amendments to contracts where the total amended value of the procurement reaches the Chief Administrative Officer's approval threshold.

### **32.0 EXECUTION AND CUSTODY OF DOCUMENTS**

32.1 Directors are authorized to execute Formal Agreements in the name of the County of Lanark for which the award was made by delegated authority.

32.2 Directors shall have the authority to execute Purchase Orders issued in accordance with these provisions.

32.3 Directors shall be responsible for the safeguarding of original purchasing and contract documentation, for the contracting of goods, services or construction, for which the award is made by delegated authority.

### **33.0 COOPERATIVE PURCHASING**

33.1 The County may participate with other government agencies or public authorities in Cooperative Purchasing, where it is in the best interests of the County to do so.

33.2 The policies of the County or government agencies or public authorities calling the cooperative tender are to be the accepted policy for that particular tender.

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#### **34.0 SUPPLIER PERFORMANCE**

- 34.1 The Director shall document evidence and advise the Chief Administrative Officer and Treasurer in writing, where the performance of a supplier has been unsatisfactory in terms of failure to meet contract specifications, terms and conditions or for Health and Safety violations.
- 34.2 The Chief Administrative Officer may, in consultation with the Director and the County Solicitor, prohibit an unsatisfactory supplier from bidding on future contracts.

#### **35.0 RECEIPT OF GOODS**

- 35.1 The Director or his/her designate, shall arrange for the prompt inspection of goods on receipt to confirm conformance with the terms of the contract and inform the Treasurer of discrepancies immediately.
- 35.2 The Director shall coordinate an appropriate course of action with the Treasurer, for any non-performance or discrepancies.

#### **36.0 ACCESS TO INFORMATION**

- 36.1 The disclosure of information received relevant to Bid Solicitations or Awards shall be made by the appropriate officers in accordance with the provisions of all relevant privacy legislation including the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O., 1990, CM.56, as amended.
- 36.2 All Suppliers who contract with the Corporation shall adhere to or exceed the standards set in the *Municipal Freedom of Information and Protection of Privacy Act* or the *Personal Health Information Protection Act, 2004*, S.O. 2004, c.3, Sched. A, or other relevant Ontario or federal privacy legislation or common law as may be passed or amended from time to time, as if they were agents of the Corporation as it relates to the confidential and secure treatment, including collection, use, disclosure or retention, of personal (health) information, other confidential information of the Corporation, and all records thereof which they come into contact with in the course of performing Services or providing Goods to the Corporation.

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### **37.0 APPLICATION**

- 37.1 The policies and procedures outlined in this By-law, including all of the purposes of Section 1 hereof, shall be followed for the Purchase of all Goods and/or Services by the Corporation or any of its officers, servants and employees.
- 37.2 The Methods of Purchasing set out in Sections 15 to 20, shall not apply to the purchase of those Goods and Services outlined in Schedule "C".

### **38.0 SURPLUS ASSETS**

- 38.1 All Surplus Assets shall first be offered to other Departments within the Corporation.
- 38.2 All Surplus Assets not required by any Department of the Corporation may then be offered to area municipalities, agencies and charitable organizations within the County of Lanark prior to any public Disposal procedure.
- 38.3 Directors shall have the authority to sell or dispose of all Surplus Assets.
- 38.4 The Sale of Surplus Assets shall be made to the highest bidder and in accordance with the provisions of this By-law.
- 38.5 Surplus Assets shall not be sold directly to an employee or to a member of Council, although this does not prohibit any employee or member of Council from purchasing Surplus Assets being sold through a public process.
- 38.6 Surplus Assets may be donated to non-profit agencies or non-profit institutions. All donated Surplus Assets must be approved by the Treasurer.

### **39.0 CONFLICT OF INTEREST**

- 39.1 Personal purchases shall not be made for any elected or appointed officials, members of a board or commission, or for Corporation officers, employees or their families.
- 39.2 An employee of the Corporation who has responsibility for declaring Surplus Assets shall not bid on or personally obtain any goods that he or she has declared as surplus.
- 39.3 Every elected official, appointed officer, employee of the Corporation or member of an employee's family is expressly prohibited from accepting, directly or

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indirectly, from any person, company, firm, or corporation to which any Purchase Order or Contract is, or might be awarded, any rebate, gift or money, except:

- a) gifts of a very small intrinsic value; or
- b) moderate hospitality during the normal course of business that would not significantly exceed what the Corporation, through the employee's expense account, would likely provide in return and would not be perceived by others as influencing the making of a business decision.

- 39.4 All elected officials, officers or employees of the Corporation shall declare any Conflicts of Interest to the Treasurer and shall have no involvement in a purchasing process where a real or perceived Conflict of Interest has been found or deemed to exist, including, but not limited to:
- a) Requesting the Goods and/or Services, setting the parameters of the Purchase, evaluating Bids or recommending, deciding or making Awards;
  - b) Direct contact with those making those purchasing decisions.
- 39.5 Suppliers shall not be allowed to submit a Bid for any Bid Solicitation in which the Supplier has participated in the preparation of the Bid Solicitation, and any such Bid submitted shall be disqualified.

#### **40.0 PURCHASE ORDERS**

- 40.1 A Purchase Order shall be issued for all procurement transactions exceeding \$15,000 unless a Contract is to be executed for the transaction or if otherwise stipulated herein. A copy of the Purchase Order is to be supplied to the Finance Department and/or the Public Works' office.

#### **41.0 VENDOR OF RECORD (VOR)**

- 41.1 As a Broader Public Sector agency the County has the opportunity of participating in certain Ontario Government, Ontario Education Collaborative Marketplace and Association of Municipalities of Ontario contracts that have already undertaken a competitive process, thus eliminating the requirement at the County level.

#### **42.0 NEGOTIATIONS**

- 42.1 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 provided that the total purchase price quoted is within 50% of the budgeted amount. The Director should justify the need to use this policy with the CAO and/or County Council

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depending upon the price level prior to County staff entering into any discussions with any vendor. This process may be adopted when any of the following conditions apply:

- 42.1.1 Goods or services are judged to be in short supply due to market conditions;
- 42.1.2. Where there is only one known source for the goods or services (sole source);
- 42.1.3. When two or more identical Bids have been received,
- 42.1.4. Where the lowest Bid received meeting specifications is excessive in total cost or substantially exceeds the estimated costs but not by more than 50% of the estimated costs;
- 42.1.5. When all Bids received fail to meet the specifications or Request for Tender terms and conditions and it is impractical to recall Request for Tenders or Request for Quotations;
- 42.1.6. When a single source is being recommended because it is more cost effective or beneficial for the County;
- 42.1.7. For the extension of a contract which has expired and unforeseeable circumstances have caused a delay in issuing a new Request for Tender or where the extension of the current contract will result in significant savings to the County based upon market analysis;
- 42.1.8. A time sensitive situation as defined in Section 22 of this Policy.

#### **43.0 CAO APPROVAL LIMIT**

- 43.1 The contract approval authority level for the CAO shall remain at the levels indicated in Schedule "A" unless otherwise approved by Council in advance.
- 43.2 Where the authority referred to in Section 43.1 is exercised, the CAO shall present to Council an information report containing the details relevant to the exercise of delegated authority.

#### **44.0 REVIEW OF BY-LAW**

- 44.1 This By-law will be reviewed on a periodic basis to evaluate the effectiveness of policy and procedure. It is anticipated that reviews will be conducted every five years or more frequently if required.

**SCHEDULE "A"**

**LEVELS OF CONTRACT APPROVAL AUTHORITY**

CAO – Chief Administrative Officer

RFQ/RFT/RFP/RFSO – Request for Quotation/Tender / Proposal / Standing Offer

C. Card – Credit Card

PO – Purchase Order

<b>GOODS / MATERIALS / SERVICES / CONSTRUCTION</b>				
<b>TRANSACTION TYPE</b>	<b>VALUE (K=\$thousands)</b>	<b>PROCUREMENT PROCESS</b>	<b>PAYMENT MECHANISM</b>	<b>APPROVAL REQUIRED</b>
COMPETITIVE	<50K	Standing Offer or 3 Quotes  Below 15K written quotes not required	C. Card / PO/ Supplier Invoice	Director / Designate
	15K – 100K	RFSO, RFQ, RFT or RFP	PO/Agreement/ Supplier Invoice	Director/Designate
	>100K – 500K	RFT or RFP	PO/Agreement	CAO
	>500K	RFT or RFP	PO/Agreement	County Council
NON-COMPETITIVE	<15K	Solicit Quotation(s)	C. Card Petty Cash, Invoice	Director / Designate
	<100K	Rationalize selection of supplier  Negotiation – demonstrate fair market value (price support)	C. Card / PO/ Supplier Invoice	Director / Designate

<b>SPECIAL CIRCUMSTANCES</b>				
<b>TRANSACTION TYPE</b>	<b>VALUE (K=\$thousands)</b>	<b>PROCUREMENT PROCESS</b>	<b>PAYMENT MECHANISM</b>	<b>APPROVAL REQUIRED</b>
	<100K	Negotiation – demonstrate fair market value (price support)	PO	Director
	>100K – 500K	Negotiation – demonstrate fair market value (price support)	PO	CAO

**IN THE CASE OF A MULTI-YEAR SUPPLY AND/OR SERVICE CONTRACT, THE PRE-AUTHORIZED EXPENDITURE LIMIT SHALL REFER TO THE ESTIMATED ANNUAL EXPENDITURE UNDER THE CONTRACT.**

CONSULTANTS / PROFESSIONAL SERVICES				
TRANSACTION TYPE	VALUE (K=\$thousands)	PROCUREMENT PROCESS	PAYMENT MECHANISM	APPROVAL REQUIRED
COMPETITIVE	<25K	Demonstrate fair market value (price support)	PO/Agreement	Director / Designate
	25K – 100K	RFP/RFQ/RFSO	PO/Agreement	Director/Designate
	>100 K – 500K	RFP	PO/Agreement	CAO
	>500K	RFP	PO/Agreement	County Council
NON-COMPETITIVE	<25K	Direct Appointment – negotiation – demonstrate fair market value (price support)	PO/Agreement	Director / Designate
	25K – 500K	Direct Appointment-RFSO– negotiation – demonstrate fair market value (price support)	PO/Agreement	CAO

AMENDMENTS TO CONTRACTS				
TRANSACTION TYPE	VALUE (K=\$thousands)	PROCUREMENT PROCESS	PAYMENT MECHANISM	APPROVAL REQUIRED
	<100K	Negotiation	Contract Letter/ Agreement	Director / Designate
	100K – 500K	Negotiation – demonstrate fair market value (price support)	Contract Letter/Agreement	CAO
	>500K	Negotiation – demonstrate fair market value (price support)	Contract Letter/Agreement	County Council

EXTENSIONS TO CONTRACTS				
TRANSACTION TYPE	VALUE (K=\$thousands)	PROCUREMENT PROCESS	PAYMENT MECHANISM	APPROVAL REQUIRED
	<100K	Where contracts contain such option, service is satisfactory and funds available	Contract Letter/Agreement	Director
	>100K – 500K	Where contracts contain such option, service is satisfactory and funds available	Contract Letter/Agreement	CAO
	>500K	Where contracts contain such option, service is satisfactory and funds available	Contract Letter/Agreement	County Council

IN THE CASE OF A MULT-YEAR SUPPLY AND/OR SERVICE CONTRACT, THE PRE-AUTHORIZED EXPENDITURE LIMIT SHALL REFER TO THE ESTIMATED ANNUAL EXPENDITURE UNDER THE CONTRACT.



**IRREGULARITIES CONTAINED IN BIDS  
(SCHEDULE "B")**

#	IRREGULARITY	RESPONSE
1.	Late Bids	Automatic Rejection, not read publicly, returned unopened to the bidder.
2.	Unsealed envelopes	Automatic Rejection, not read publicly, returned unopened to the bidder.
	Bid Deposit - Execution	Automatic Rejection
	a. No bid deposit; cheque not certified or not an original financial security (e.g. a photocopy or a facsimile of a financial security).	
3.	b. Insufficient Bid Security	Automatic Rejection
	c. Signature and/or Corporate Seal of Contractor or of Bonding Company or both are missing from bid bond.	Automatic Rejection
	Incomplete Bids	Automatic Rejection
4.	<ul style="list-style-type: none"> <li>• Incomplete, illegible or obscure Bids or Bids which contain information not called for, erasures, overwriting or strike outs (not initiated)</li> </ul>	Automatic Rejection
	Qualified Bids	Automatic Rejection
5.	<ul style="list-style-type: none"> <li>• bids qualified or restricted by a written statement, whether within the Form of Tender or included as an attachment</li> </ul>	Automatic Rejection
6.	Failure to attend mandatory site visit (if required)	Automatic Rejection
7.	Failure to insert the bidder's business name in the space provided in the Bid Solicitation form.	Automatic Rejection
	Bid Document – Execution	Two (2) working days to correct to the satisfaction of Director, otherwise automatic rejection
	a. Bids not executed in non-erasable medium and signed in ink.	
8.	b. Bid document missing signature of authorized representative, whether corporate seal affixed or not.	Two (2) working days to correct to the satisfaction of Director, otherwise automatic rejection
	c. Bid documents in which all Addenda issued have not been acknowledged.	Two (2) working days to correct to the satisfaction of Director, otherwise automatic rejection

9.	Bids received on documents other than those provided by the County.	Automatic Rejection, unless in the opinion of the Director, the intention of the bidder is clear, and the bid submission details do not deviate in any material manner from those provided by the County.
10.	<p>Bids Containing Clerical or Mathematical Errors</p> <ul style="list-style-type: none"> <li>a. Uninitialled changes to the bid document, which are in the opinion of Director trivial in nature.</li> <li>b. Uninitialled changes to the unit prices in the price schedule and the contract totals are consistent with the price as amended.</li> <li>c. Extension error, based on quantity provided in bid document and unit rate provided by bidder.</li> </ul>	<p>After official notification from the Director, the bidder has Two (2) working days to rectify the situation and initial any changes.</p> <p>After official notification from the Director, the bidder has Two (2) working days to initial the changes.</p> <p>Mathematical error corrected by the Department, using the unit price.</p>
11.	<p>Mistakes in Tendering</p> <ul style="list-style-type: none"> <li>• on the application of the bidder and the clear demonstration of an error in the tender or in the bidder's calculation sheets</li> </ul>	Following consultation with the bidder, the Director may allow the bidder to withdraw the bid, in writing, without financial penalty. In some instances the Director may elect to retain the bid deposit.
12.	Other Irregularities	The Chief Administrative Officer and the Director shall have authority to waive irregularities in their sole and unfettered discretion, which are considered to be trivial or insignificant.
13.	Any Irregularity	Despite any provisions herein contained, County of Lanark Council may waive any irregularity, where Council, in its' sole opinion, considers it to be in the best interests of the County of Lanark.

- Where "working days" is specified, this is from the hour the Bidder is notified by Corporation staff of the irregularity

## SCHEDULE "C"

### RECURRING & NON-COMPETITIVE EXPENDITURES

Items listed below are exempt from the requirements of the Purchasing Policies, save and except for Approval Authority. Directors are encouraged to explore competitive Bids for some of these items where such Bids may be available (eg. Trainers, facilitators, etc.) particularly when the Director becomes aware that there is a competitive vendor available in the market.

#### 1. Employer's General Expenses

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

#### 2. Professional Services

- a. Human Resource Services, i.e. outplacement, temporary employment, etc.
- b. Employee training, facilitators, speakers, etc.
- c. Medical Professional Services
- d. Expert Witnesses
- e. Outside legal Counsel

#### 3. Special Services

- a. Community Service Providers (Daycare, Lodging Homes, Nursing, Homemakers)
- b. Appraisers

#### 4. Utilities

- a. Hydro
- b. Postal Services
- c. Water
- d. Natural Gas
- e. Communications, i.e. land line telephone services, cable, media, etc. (note: does not include long-distance services, cellular phones or any other communications where a market of more than one supplier exists)

#### 5. Government Bodies: Federal, Provincial or Municipalities

**NOTE:** See Travel and Tuition Policies for refundable employee expense

## SCHEDULE "D"

### MINIMUM STANDARDS & REQUIREMENTS FOR TENDERS

The following are minimum procedures and apply to the acquisition of Commodities (except Consultant's services) by Tender.

#### 1.0 ADVERTISING

As per section 9.2 – Notification Requirements

Where possible, at least fourteen calendar days' notice shall be given between the date of the advertisement/notice and the closing date of the Tender.

#### 2.0 TENDER REQUIREMENTS

- (a) Tender Document Statement: All Tender documents shall contain the following statement "The Bidder acknowledges that the Owner shall have the right to reject any, or all, Tenders for any reason, or to accept any Tender which the Owner in its sole unfettered discretion deems most advantageous to itself. The lowest, or any, Tender will not necessarily be accepted".
- (b) Bond Agreement: Where any bond is required, the Tender document must contain an "Agreement to Bond" to be executed by the Bidder and returned with the Bid.
- (c) Bid Deposits: Bid deposits are guarantees that a Bidder will enter into a Contract with the County.

Where deemed necessary by the Department Head or where labour (or services) and material are involved, a Bid deposit is required in the amount specified in the tender documents.

Bid deposits shall be in the form of a bid bond, certified cheque, bank draft or money order, made payable to The Corporation of the County of Lanark.

- (d) Performance and Maintenance Bonds: Performance bonds guarantee performance of the terms of a Contract. This bond protects the County from financial loss should the Vendor fail to perform the Contract in accordance with its terms and conditions. Maintenance bonds provide upkeep of a project for a specified period of time after the project is completed. This bond guarantees against defective workmanship or materials.

Where deemed necessary by the Department Head or where the County could experience significant financial loss should a Vendor's failure to perform the Contract within the terms and conditions of the Contract, a performance bond is required.

Where deemed necessary by the Department Head or where the County could experience significant financial loss or other harm as a result of defective workmanship or materials, a maintenance bond is required.

Performance and/or maintenance bonds must be in the amount of one hundred (100%) percent of the total Contract price including applicable taxes.

- (e) Labour and Material Payment Bonds: Labour and material payment bonds are guarantees that the Vendor will make payment for obligations under the Contract for subcontractors, labourers, and materials suppliers associated with the project.

Where deemed necessary by the Department Head or where the County could experience significant financial loss should a Vendor fail to pay its obligations under the Contract for subcontractors, labourers, and materials suppliers associated with the Contract, a labour and material payment bond shall be required.

Labour and Material Payment Bonds shall be in the amount of fifty (50%) percent of the total Contract price including applicable taxes.

- (f) Insurance: Where deemed necessary by the Department Head or where the County could experience significant financial loss, the Tender shall require that an insurance certificate be provided. General Liability Insurance shall be in the name of the Firm or Individual as shown on the Form of Tender, in a minimum amount of Five Million Dollars (\$5,000,000.00), and The Corporation of the County of Lanark, shall be named as an Additional Insured, for the specific project.

The Bidder remains responsible for maintaining the required insurance even if the certificates are never exchanged and/or requested.

- (g) Occupational Health and Safety: All Tender document forms and Contracts shall require that the Occupational Health and Safety Act must be complied with.

The Corporation of the County of Lanark is committed to ensuring that a high standard of health and safety is provided and maintained for all employees, visitors, guests, Contractor's agents and others on our premises.

Accordingly, all Bidders shall:

- i. Demonstrate establishment and maintenance of a health and safety program with objectives and standards, consistent with applicable legislation, and with The Corporation of the County of Lanark's health and safety policies and requirements. The Corporation of the County of Lanark's Health and Safety Contractor Program can be obtained upon request.
  - ii. Provide a copy of your Company's Health and Safety Policy, which is current within 24 months.
- (h) Workplace Safety and Insurance Board Certificate (WSIB): All Tender document forms and Contracts involving a labour component shall require successful bidders to submit a Certificate of Good Standing from the Ontario Workplace Safety & Insurance Board on request by Lanark County and shall provide additional certificates as often as is deemed necessary by Lanark County during the term of the contract to ensure continued good standing with the Workplace Safety & Insurance Board.

### **3.0 RECEIPT AND OPENING OF BID DOCUMENTS**

- (a) Receipt of Bid: Bid envelopes shall be dated, timed and initialled by the person receiving the Bid and placed in a secure location until the Tender opening.
- (b) Number of Bids and Bidder Name Not to be Divulged: The number of Bids received and the names of Bidders is confidential, and shall not be divulged prior to the Tender opening.
- (c) Tenders Received After Closing Time and Date: Tenders received after the closing time shall be noted and returned unopened to the Bidder, as soon as possible. If a late Tender is received without a return address on the envelope it shall be opened, the address obtained, and then returned. The covering letter will advise why the envelope could not be returned unopened.
- (d) Bid Withdrawal:
  1. Any Prospective Vendor who has submitted a Bid may request that it be withdrawn. Adjustments or corrections to a Bid will not be allowed. Withdrawal shall be allowed if the request is made prior to closing. Withdrawal requests must be directed to the Director of the department issuing the tender by letter. A telephone or facsimile request to withdraw a Bid shall not be considered. The withdrawal of a Bid prior to closing does not disqualify that Prospective Vendor from submitting another Bid on the same tender.

2. Withdrawal requests received after closing will not be allowed. The Prospective Vendor concerned shall be informed that the withdrawal request arrived too late for consideration. However, when the Bids are read out at the Bid opening, and if it is the lowest Bid, the Prospective Vendor making that low Bid may then proceed in accordance with this By-law.
  3. At the conclusion of the reading out of all Bids, a Prospective Vendor which has made the low Bid in a set of related Tenders may withdraw any of his remaining Bids on other related Tenders. Withdrawn Bids under this procedure cannot be reinstated.
  4. Any Prospective Vendor proceeding under 3 (above) shall attest in writing to his/her identity and identify the Bids to be withdrawn. The notice of withdrawal must be signed by that Prospective Vendor. This notice must be handed to the Director before the reading out of the first Bid on the next related Tender to be opened. The Director shall attach it to the applicable submission.
  5. Any Prospective Vendor proceeding under 3 (above) cannot reinstate the withdrawn Bid if subsequent review proves that the low Bid was not, in fact, the low Bid.
  6. When, during the opening of Bids, the Director receives a Bid that has a notice or other correspondence requesting withdrawal attached, the Director (or designate) shall read out the Bid number and the name of the Prospective Vendor and indicate to those in attendance that the Bid previously announced will be withdrawn at the request of the Prospective Vendor. The Prospective Vendor's name for each withdrawn Bid shall be recorded immediately following the names of the other Prospective Vendor whose submissions will be considered, noting the method and date of withdrawal.
- (e) Two Bids for Same Contract in Same Envelope: If two bids for the same Contract are received in the same envelope (i.e. Vendor's copy included), the signed copy, or if both are property executed and prices differ, the lower price copy, shall be considered the intended Bid, which shall be processed in the normal manner.
- (f) Two Bids Same Contract - Different Envelopes: If two Bids for the same contract are received in different envelopes the envelope with the latest date and time received shall be considered the intended Bid.
- (g) Bids Received By: Bids shall be received by the Department, as specified in the tender documents.

- (h) Tender Opening: Tenders shall be opened in public and in the presence of two Lanark County staff. The names of those individuals in attendance, the time and date of the opening, the names of the bidders submitting a Bid, and the total Bid price of each Bid shall be recorded at the opening. The Tender Summary record shall be signed by the two Lanark County staff conducting the opening.

#### **4.0 RETURN OF DEPOSIT CHEQUES**

- (a) Return of Bid Deposit Cheques: The Tender deposit of all Bidders, except the low and second low Bidders, will be returned, without interest, within ten (10) days of the Tender Opening.

The Tender deposit of the low and second low Bidder will be returned when the successful Bidder has returned the executed Contract Agreement and other applicable documents to The Corporation of the County of Lanark.

The Tender deposit cheque or security shall be forfeited if the successful Bidder fails to return to The Corporation of the County of Lanark, within ten (10) days of receipt of the acceptance of Tender, the executed Contract Agreement and other required documents.

Where either of the low or second low Bidders has not been notified, within sixty (60) days after Tender Opening, that their Tenders have been accepted, an application may be made to The Corporation of the County of Lanark for the return of the deposit.

The Corporation of the County of Lanark may, at its discretion, return a Tender deposit at an earlier time than provided herein or return a Tender deposit on receipt of an alternative security acceptable to The Corporation of the County of Lanark and no such action shall prejudice the validity of the Tender to which such Tender deposit relates.

In the case of a pick-up, the person picking up the Bid deposit shall execute a receipt.

- (b) Deposit Cheque Not to be Cashed Unless: The Bid Deposit cheques that are retained in accordance with 4.0(a) of this Schedule, shall not be cashed unless the deposit is forfeited.



**5.0 ACTION WHEN SUCCESSFUL BIDDER DOES NOT FINALIZE CONTRACT**

If a Contract has been awarded and the successful Bidder fails to sign the Contract or provide any required documents (i.e. bonds) within the specified time, the Department may grant additional time to fulfill the necessary requirements or may recommend that either:

- (a) the Contract be awarded to the next higher Bidder; or
- (b) the Contract be cancelled.

In either case, the deposit of the originally awarded Bidder is forfeited to the County.