



Town of Whitby Procedure

Procedure Title:	Appendix C – Department Procurement Procedure
Procedure Number:	F-080-001
Reference:	Procurement Policy F 080
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Approval:	Chief Administrative Officer
Point of Contact:	Procurement Services Division

Purpose

The purpose of this Procedure is to outline the steps required for Departments to independently execute the procurement process for Goods and Services valued less than or equal to \$25,000 and Professional Services valued less than or equal to \$50,000 Total Procurement Value (as defined in the Procurement Policy).

Scope

This procedure applies to all Departments within the Town.

Overview

As outlined in the Procurement Policy, user departments may request quotations directly from suppliers and award purchase orders for Goods and/or Services and Professional Services within the established Total Procurement Value limits (as identified in Schedule D of the Policy).

Departments may request assistance from Procurement Services at any time to obtain quotation / bidding templates, recommended vendors, sample documents or sample specifications if required.

Contact Purchasing - General Inquiry (purchasing@whitby.ca).

Index

1. Definitions	3
2. Responsibilities	4
3. General	5
4. Total Procurement Value: < \$10,000: Direct Award	7
5. Total Procurement Value: \$10,000 + & < \$25,000: Informal Quote	7
6. Goods and Services \$25,000 +	10

1. Definitions

- 1.1. **Approved Budget** means a capital or operating budget approved by Council subject to any adjustments provided for in the Town's Budget Monitoring Policy.
- 1.2. **Award** is the notification to a bidder or tenderer of acceptance of a bid or tender which brings the contract into existence. Issuance of a purchase order.
- 1.3. **Bid** means an offer or submission from a supplier; a tender, proposal or quotation submitted in response to a solicitation from the Town.
- 1.4. **Bidder** means the individual, partnership, firm, or corporation, including its respective successors and assigns, or any entity that is responding to a procurement process from the Town and/or submitting an offer to the Town.
- 1.5. **Compliant Bidder** means a Bidder who has fully complied with all the Bid requirements, correctly and completely responded to all of the requirements that are considered mandatory as outlined in the bid documents, and that the Bidder is deemed to be fully capable, technically and financially.
- 1.6. **Contract** means a legally binding agreement for the purchase or disposal of Goods and Services. A Contract may be a fully executed legal agreement, in a form satisfactory to the Town Solicitor, or their designate, or a Purchase Order issued by the Town.
- 1.7. **Department** means the department or division procuring goods, services and/or construction. The staff representative, lead, project manager and/or contract administrator for the work.
- 1.8. **Department Approver** means the staff member who has the responsibility for approval of any purchase on behalf of the Town and ensuring it is procured within the guidelines of Town policies.
- 1.9. **Direct Award** means a procurement action resulting in an Award by a Department without the requirement of competition within the guidelines of the Procurement Policy and accompanying procedures.
- 1.10. **EFT Form** means an Electronic Funds Transfer Form that can be used to provide financial information and authorize direct deposits for payment.
- 1.11. **Goods and Services / Goods or Services** includes one or more of following furnished or performed by a Vendor under a Contract: supplies, equipment, construction, labour, materials, products, software, maintenance services, information, information technology, consulting or professional services.
- 1.12. **Procurement** acquisition by any means, including by purchase, rental, lease, or conditional sale, of goods, services, or construction. The activities and processes to acquire or dispose of Goods and Services. The activities

involved in establishing requirements such as market research, Vendor evaluation and Contract negotiation.

- 1.13. **P-Card** means the Town's purchasing credit card program and system and the associated P-Card program procedures for authorized low dollar purchases of Goods and Services.
- 1.14. **Purchase Order** is a type of Contract in the current Town format that is a binding agreement between the Town and the Vendor formalizing all the terms and conditions of a proposed transaction and authorizing the purchase of Goods or Services.
- 1.15. **Purchase Order System** means the financial system that the Town uses for the purchase and payment of goods and/or services.
- 1.16. **Purchasing Officer** means Procurement Manager or designate.
- 1.17. **Risk Management** means the division within Finance Services in concurrence with the Town's insurer or designate.
- 1.18. **Submission** means a bid submission, tender, quotation, proposal, prequalification submission or any similar submission to a procurement process.
- 1.19. **Supplier** means the individual, partnership, firm or corporation, or any entity that is carrying on business of providing goods and/or services. See also definition of Vendor.
- 1.20. **Total Procurement Value** means the total value of a requirement being procured, excluding applicable taxes and duties, inclusive of all known and budgeted phases. For purchasing arrangements that exceed one year, or allow for optional extensions, the Total Procurement Value includes the original term and the estimated value of any planned extensions.
- 1.21. **Town** means The Corporation of the Town of Whitby, its successors, and its assigns.
- 1.22. **Vendor** is a supplier, individual, partnership, bidder, consultant, or any entity that is responding to a procurement process; seller or provider of Goods and/or Services or construction to the Town.

2. Responsibilities

- 2.1. Department is delegated authority to make Procurement decisions in accordance with the Procurement Policy to the values identified in Schedule D. For delegated authority staff are to:
 - 2.1.1. Award Procurements by a Purchase Order in advance of receiving Goods or Services and ensure that the Purchase Order number is reflected on Vendor invoices;

- 2.1.2. Provide all information necessary for a Vendor to bid equally to all bidders when requesting quotes;
- 2.1.3. Ensure all Contracts are reviewed by Legal Services and Risk Management;
- 2.1.4. Mitigate risk by requesting appropriate insurance on the Town's form and maintaining throughout the Contract;
- 2.1.5. Request a WSIB Clearance Certificate where appropriate for Goods and Services.
- 2.2. For approval of Procurements, Purchase Requisitions, or P-Card transactions, **Department Approvers** will ensure the following:
 - 2.2.1. Appropriate steps were taken based on the Total Procurement Value;
 - 2.2.2. Description: there is adequate information for the Vendor to comprehend the order and for approval;
 - 2.2.3. Budget - sufficient in amount and appropriate account number(s);
 - 2.2.4. Vendor appears to be valid and appropriate for the work, is the lowest bidder, and sufficient insurance and WSIB Clearance Certificate has been requested and is in place in advance of providing any Goods or Services and kept current for the duration of the Contract.

3. General

Request for Quotation less than \$25,000 may be issued by the Department for the acquisition of Goods or Services or less than \$50,000 for Professional Services.

Before starting a Procurement process, Departments must:

- 3.1 Determine if there is a Contract already in place for the Goods or Services. Departments must utilize all existing Town Contracts, blanket Purchase Orders, Vendor arrangements, registries or rosters, or other such Contracts that are in place before proceeding with a Procurement process to issue a competitive Bid or engaging a Vendor;
- 3.2 Determine the Total Procurement Value. Note: any, and all additional terms, service and maintenance Contracts, or other charges being awarded to the Vendor that may be required, are to be included in determining the value;
- 3.3 Review and ensure compliance with Procurement Policy Definitions **Total Procurement Value**; Section 10 and Schedule D.

Valid Vendors, New Vendor Set-up, and Risk Mitigation

Before starting the quote process, all Vendors engaged as bidders must be able to meet the Town's requirements for new Vendor set up, or already be a valid Vendor, in the Purchase Order System; insurance, WSIB, EFT form etc.

If your successful bidder is a new Vendor, ensure that a [new vendor package](#) (found on Whitby Wire) is completed in its entirety and the information is sent **complete** to Purchasing- General Inquiry (purchasing@whitby.ca) with subject line, *New Vendor Request*.

If your successful bidder is an existing Vendor, confirm in the Purchase Order system under Supplier profile if the insurance and WSIB is current. If it is not current, request updated information prior to awarding the Contract and forward to the Procurement Team with subject line *Vendor Update*.

Allow 3 business days for new Vendor set up. **Incomplete submissions may be delayed or rejected.**

Department staff must ensure that appropriate and current insurance and/or WSIB are in place prior to engaging Services and is maintained throughout the term of any Contract.

A valid Vendor must be a Supplier of the Good or Service, that you are looking to buy, in order to Bid on the request for quote.

- For example, if you are buying an automotive part, an office supply company that does not sell automotive parts, would not be considered a valid Vendor to request a quote from.

Insurance and WSIB:

- Notify and request the Town's risk *requirements at the time of quotation* from your bidders / Vendors (new or existing)
- Proof of coverages must be received **prior** to Award from your successful bidder/vendor and prior to any work/ delivery of goods.
- Insurance **must** be received on the **Town's Certificate of Insurance form**.
 - completed by the recommended bidder's insurer without cross outs or amendments.
- Insurance and WSIB Clearance Certificate must be kept up to date for duration of the Contract.
 - Tip: add the expiry dates to any Gantt chart / project schedule or meeting minutes and keep copies of information in your project file so it is easy to keep track of the renewal dates.

WSIB Clearance Certificate is required for most Awards where there is any kind of work or service being done for the Town. WSIB is mandatory for any type of construction.

Refer to the [Insurance Matrix](#) provided by Risk Management on the Whitby Wire (login required) for the appropriate amounts and types of insurance required for the Good or Service you are buying.

IMPORTANT: This matrix is for **internal Town use only** and shall not be forwarded to the Vendor. Refer to Risk Management for more information.

Exemptions to be approved by the Commissioner of Finance/ Treasurer following discussion and review with Risk Management staff.

Award

A Purchase Order shall confirm the purchase to the Vendor in advance of the work/ provision of any services, or delivery of goods, to ensure that the Town's Terms and Conditions are included.

If your Award requires a Contract, it is recommended that a Town Services Agreement is used.

4. Total Procurement Value: Direct Award < \$10,000 Goods and Services and < \$25,000 Professional Services

A request for quotation from a valid vendor can be completed by:

- an email request, or;
- a verbal request *

* it is recommended that all quotes are provided by the vendor in writing.

Purchase Order # is to appear on all invoices.

Confirmation and payment shall be done by Purchasing Card (P-card) or issuance of a purchase order by entering a purchase requisition in the Purchase Order System in advance of any commitment to the vendor.

5. Total Procurement Value: \$10,000 + and < \$25,000: Informal Quote

A request for quotation for Goods or Services can be completed by:
an email or faxed request (in writing by the Department to each vendor)

- a minimum of three (3) quotations (bids) from three (3) separate valid vendors (bidders)
- Each request should include a set due date for submission.
- It is required that all vendors receive the exact same information, and all quotes are provided by each vendor in writing for the same work/ goods.

Staff may use the informal quote template provided by Procurement Services to issue requests for quotations.

Department staff are encouraged to request **more than** the minimum three (3) quotations and to vary the selection of bidders to **ensure a fair and competitive process**.

The bidder (vendor) recommended for award shall be the **lowest** compliant bidder. To proceed with the award, a compliant bidder will need to have an active account in the Purchase Order System and all required insurance and WSIB will be provided. See Valid Vendor and new vendor setup above.

Department Procurement Process Steps (Informal Quotes):

1. Department shall request a minimum of three (3) written quotations from three (3) separate valid Vendors, at the same general time.
 - a. Every reasonable effort should be made to obtain three (3), or more, bids to ensure a more competitive process;
 - i. A supplier would be considered valid if they can reasonably be considered to quote on and perform the Works/ Services, or provide the Goods requested.
 - b. If three quotes cannot be obtained, an explanation from the Department must be provided to Procurement outlining why three quotes have not been received.
 - i. Procurement staff may assist by soliciting further quotes, providing advice on how to proceed or seeking approval to bypass the requirement from the Purchasing Officer.
 - c. The Purchasing Officer may waive the requirement for three quotes where the department has demonstrated to the satisfaction of the Purchasing Officer or designate that a minimum of three quotes could not reasonably be obtained.
2. To ensure the integrity of the process all bidders shall receive the exact same information in the request for quote including specifications, work instructions, options, terms and conditions and questions/ answers.
 - a. Any, and all required, or known information regarding the project, the site or site conditions (if applicable) are disclosed.
 - i. This includes any reports, studies, EA's that could impact the work.
 - b. All questions from ALL bidders, this includes any additional or subsequent information, clarification, revision, or instruction are to be answered if they impact the quote being provided.
 - c. Any questions and answers you provide to any bidder need to be provided to ALL bidders in advance of the quote deadline.
 - d. No vendor shall be provided any advantage in the process.
 - e. We recommend using phrases like the following in your email request;
 - i. "All quotes to be received by end of day on {date}, 2023".
 - ii. "The Town's intent is for this not to be a binding quote process. The Town may or may not proceed with award of this quotation."
 - iii. "Subject to the Town's Terms and Conditions; Standard and Purchase Order" or use link: Terms and Conditions
 - iv. "Insurance completed on the Town's Certificate of Insurance form without cross out or amendment and proof of eligible WSIB clearance, if applicable, will be required prior to award."

Tip: Any quotes received when you log back in the next day can be accepted. Late quote submissions by vendors sent after this date should be rejected

however a Buyer may solicit further quotes if deemed appropriate to meet a fair and competitive process.

The goal is to ensure that every bidder responds in the same general time, to the exact same scope and has the exact same information.

3. Award is made to the **lowest compliant bidder** through a Purchase Order.
 - a. Is vendor compliant? Did they bid on all that you asked? No added or attached conditions or agreements; are they able to provide the insurance required on the Town's form.
 - b. Ensure the Town's certificate of insurance form is completed, and vendor has an eligible WSIB Clearance Certificate prior to any work being done for the Town.
 - c. Enter a purchase requisition and forward for approval.
 - d. Departmental Approvers will approve as noted above.
 - e. A Purchase Order will confirm the purchase to the **vendor in advance** of the work or provision of service.
 - f. A receipt/ receiving of that good or service after completion serves as the Town's acceptance of the work.
 - g. All invoices shall reference the Purchase Order number and are directed to AP@whitby.ca promptly for payment processing.
 - i. If construction work, the Construction Act prompt payment requirements and timelines must be adhered to. Invoices are directed to constructionap@whitby.ca or otherwise directed by Accounting Staff.

Need help? If you are concerned about compliance or bid irregularities, added / attached statements by the bidder that change the request or the terms of what you asked? Bring this to a Buyer's attention for resolution **prior** to awarding a request for a Purchase Order.

4. Keep a written record of any vendor performance concerns, meetings, or relevant correspondence in accordance with the Vendor Performance Procedures. Document your concerns early.
 - a. Procurement staff must be informed of any performance issues that **cannot be resolved** to the satisfaction of the Project Lead.
5. Documentation to be retained in accordance with the Records Retention Bylaw.
 - a. The records retention date would apply following the "end date" of your agreement. For example, if your vendor is hired in 2023 until end of December 2024, the retention date **starts** after contract ends in 2024.
6. If your vendor indicates an agreement is required, it is recommended that the [Town's Services Agreement](#) is used. Any alternate agreement will require review

from Risk Management and Legal Services staff in advance and could delay the award of your work by up to two weeks.

6. Goods and Services \$25,000 +

Any requirement for Goods or Services with a **Total Procurement Value** that exceeds the threshold of \$25,000 Goods and/or Services is to be competitively bid through the Procurement Division and executed by a Buyer. Refer to Schedule D for further direction and approval process. Your complete, ready to issue specifications will need to be submitted by the Procurement Requests Portal on the Whitby Wire.

Review/ Audit

Upon request, Departments shall provide information to Procurement Services to validate or approve the award of a purchase order or assist with vendor performance concerns. The following may be requested:

- Copy of **quotation requests** to vendors
- Copies of the **quotes/ bids received**
- Copies of **any correspondence** provided and/or received
- Copies of insurance, WSIB Clearance certificates
- Any questions/ answers/ addenda or changes made

IMPORTANT: All information that you provide or receive from vendors including emails, notes, specifications and the resulting quotations are subject to review by Auditors and are open to any Municipal Freedom of Information and Protection of Privacy Act ("MFIPPA") request.



Matthew Gaskell, Chief Administrative Officer, x2211

Nov 23, 2023

Date