

COCHRANE TEMISKAMING RESOURCE CENTRE

POLICY MANUAL: FINANCIAL SERVICES -- PURCHASING

POLICY #: 8

Title Price Quotations and Competitive Bids	Page 1 of 11
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Issued by FINANCIAL SERVICES	Signed by Executive Director
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POLICY STATEMENT Quotations will be solicited from suppliers on an invitation to bid basis, unless it is not practical to do so. Formal publicly advertised tenders are required for procurement of goods, *non-consulting* services, construction contracts and *consulting services* valued at \$121,200 or more *before taxes*.

METHOD

The following limits must be adhered to:

No quotations required for orders under \$500 (before taxes) *for goods and non-consulting services*.

Competitive quotations are required for consulting services irrespective of value.

3 telephone quotes are required for orders between \$500 and \$1,500 (before taxes). The name of the contact person from each company required to verbally quote should be documented on the Purchase Requisition, or attached to the financial copy of the Purchase Order.

3 or more written quotations are required for orders between \$1,500 and \$25,000 before taxes.

3 or more written quotations by invitation or advertising (with written specifications supplied by CTCRC) are required for orders over \$25,000 (before taxes).

Publicly advertised *electronic* tenders are required for orders valued at \$121,200 or more (*before taxes*); including contracts for goods, *non-consulting services*, construction, and *consulting services*.

All prices are to be quoted taxes extra (i.e. HST).

NO SPLITTING QUANTITIES

Quantities of orders may not be split to avoid exceeding the limits. *The overall value of procurement must not be reduced (e.g. dividing a single purchase into multiple purchases) in order to circumvent competitive procurement thresholds.*

THREE QUOTATION REQUIREMENT

Where 3 or more suppliers are invited or requested to submit a quotation, and all contacted suppliers do not submit a quotation, this information must be documented. The purchasing process will proceed with the responses received.

In situations where obtaining 3 responses to CTRC's request for quotations is doubtful or possible unlikely, then several vendors should be contacted or invited to provide a quotation – i.e. from a list of appropriate vendors in the yellow pages of the telephone directory as an example.

See Item #12 for exceptions to competitive procurement.

The Executive Director's approval is required for non-competitive procurement of goods and non-consulting services under \$121,200.

Board approval is required for non-competitive procurement of consulting services.

1. DEPARTMENTAL PURCHASE ORDERS

Written quotations and information as to telephone quotations received are to be attached to the "Financial" Purchase Order copies which are forwarded to Financial Services. Financial Services is to immediately request the information if not attached or supplied with the Purchase Order.

If it is not practical to adhere to the above limits--e.g. emergency purchase, repair parts available from one dealer or source of supply, repairs to equipment--an explanatory notation should be attached to the "Financial" Purchase Order copy *along with the Executive Director's approval for non-competitive procurement situations.*

This information must be retained in Financial Services for seven years.

2. EVALUATION OF QUOTATIONS

1. The Director or Manager (or delegate) will select the source of supply based upon the following factors:-
 - Price
 - Quantity
 - Past Performance
 - Qualifications and/or Experience
 - Quality
 - Delivery
 - Serviceand Any Other Genuine Business/Service Need required by CTRC *such as transition costs or environmental considerations, etc.*

2. All other factors being equal, the award shall be made to the lowest bidder.

If the lowest bidder is not selected, the criteria used to evaluate the quotations/bids along with the method used to weight and evaluate the criteria must be documented and attached to the purchasing documents (e.g. "Financial" copy of Purchase Order forwarded to Financial Services).

3. The objective of this evaluation is to purchase all equipment and supplies for the use of CTRC in such a manner that the maximum value will be obtained for the money expended.
4. Purchases from foreign suppliers shall be made only when an Ontario or Canadian suppliers are not available. It is the ordering department's responsibility to attempt to locate an Ontario or Canadian supplier before issuing a Purchase Order to a foreign supplier. When making a decision to purchase from the United States (for example) remember that the cost to CTRC includes the rate of currency exchange, excise taxes, brokerage fees for Customs Clearance, and transportation costs.

3. ACKNOWLEDGEMENT OF QUOTATIONS

1. Receipt of quotations from suppliers for purchases over \$3,500 will be acknowledged by the department issuing the Purchase Order. Acknowledgements for lesser amounts shall be initiated if deemed advisable.
2. The acknowledgement shall thank the vendor for the quotation submitted and indicate one of the following situations:
 - a. - The proposal is being considered and we will order or notify you later.
 - b. - Our plans have changed. No orders are forthcoming.
 - c. - Order placed with another company.
 - d. - Other -- with explanation.

3. **QUOTATIONS FROM SUPPLIERS SHALL BE STRICTLY CONFIDENTIAL.**

Only on written request will the name of the successful company and the price be released to an unsuccessful bidder. No other information need be supplied.

4. PUBLICLY ADVERTISED TENDERS

Prior to initiating publicly advertised tenders, all Directors, Managers, Supervisors involved in the procurement process must review the "Broader Public Sector Procurement Directive" and "Implementation Guidebook" to ensure compliance with this directive.

Tendering Procedure -- as outlined in various trade agreements, including but not limited to the Ontario-Quebec Trade and Cooperation Agreement, Building Ontario Businesses Initiative Act, 2022 (BOBI) for the Broader Public Sector and "Agreement on Internal Trade" for Procurements within Canada.

1. Call for tender methods, or Requests for Information to be used to develop the conditions of a proposed tender.

- (1) Use of an electronic tendering system that is readily accessible by all vendors.
- (2) Publication in one or more daily newspapers and/or trade journals that are equally accessible to all Canadian suppliers *may be used in addition to electronic tendering.*

2. Threshold for Publicly Advertised/ Electronic Tenders.

- Contracts for goods and *non-consulting* services valued at \$121,200 or more. (*before taxes*)
- Construction procurement at \$121,200 in value or more, *before taxes*. (Including construction, reconstruction, demolition, repair or renovation of a building, structure or work.)
- *Consulting services valued at \$121,200 or more. (before taxes)*

... Below this threshold, CTRC will make best efforts to ensure non-discrimination.

3. All Calls for Tenders Shall Contain the Following Information.

- (1) A brief description of the procurement or project contemplated.
- (2) Address of Cochrane Temiskaming Resource Centre (CTRC).
- (3) Project Engineering/Architectural firm and address -- if applicable.
- (4) The place where a person may obtain the necessary information, specifications, plans and documents to submit a tender. Costs of removing a set for the purpose of preparing a tender.
- (5) The conditions for obtaining the tender documents. (e.g. requirements for a bid security deposit, or a fee charged for obtaining copies of bid documents.)
- (6) The place where the **sealed tenders** are to be sent, or who is receiving the tender. (e.g. Executive Director)
- (7) The date and time limit for submitting tenders. (Date and time sealed tenders are due.)
- (8) *A requirement that a prospective supplier participating in the procurement process declare any actual or potential **conflicts of interest**. Where a conflict of interest arises, it must be evaluated and an appropriate mitigating action must be taken. E.g. Any consultant retained to develop the competitive procurement documents cannot bid on the project.*

4. Minimum Time for Submitting Bids/Tenders.

Calls for tenders valued at \$121,200 and up to \$353,300 must provide suppliers with a **minimum of fifteen (15) calendar days** to submit a bid, from the date the tender is called or advertised.

For procurement of high complexity, risk or dollar value, a minimum of 30 days response time should be given.

5. Amendments or Clarifications to Tender Documents.

If there are any amendments or clarifications made to tender documents, **all suppliers** that received the original documents should receive notice of the changes.

The time of the issuance of an addendum to a tender call must allow **seven (7) days** before the tender's closing for a supplier to respond. If the addendum is issued within seven days of the tender's closing, the closing date should be extended accordingly.

6. Criteria for Evaluating Bids

In addition to the submitted price, the evaluation of bids may take into account quality, quantity, delivery, servicing, as well as the experience and financial capacity of the supplier to meet the requirements or any other criteria directly related to the procurement which respects the principle of reciprocal non-discrimination. (i.e. A genuine business/service need to require a specific level of service or specific level of vendor qualifications.)

Non-price criteria must not discriminate against the suppliers or products of the other provinces. ("Agreement on Internal Trade" for procurement within Canada).

This procedure is based upon the principle of reciprocal non-discrimination. All suppliers are to be treated equally, regardless of their province of origin.

Therefore, **local preferences as a criteria is not allowed.**

As of January 1, 2024 the Building Ontario Business Initiative Act 2022 (BOBI) states Public sector entities are to give preference to Ontario businesses, in accordance with the regulations, when conducting procurement processes for prescribed goods and services at the value of which are under the prescribed threshold amounts.

Contractors from outside the province of Ontario (e.g. Quebec contractors) will be required to conform to Ontario's laws and regulations when they work in Ontario. It would not be considered bias to require firms to prove they will comply with Ontario law such as registering with the Ontario Worker's Compensation Board, complying with the Occupational Health and Safety Act, the Construction Lien Act, adherence to CSA approval for products, or the Ontario Electrical Safety Code.

The tender documents are to clearly identify the specifications and requirements as well as all criteria that will be used for evaluating the bids.

The **methods of weighting and evaluating the criteria** shall also be divulged in these documents.

7. Tendering Procedures for CTRC

1. Tenders received are to be dated and timed (date stamped with time) and secured in a locked container (e.g. Financial Services Safe) until the opening date.
2. Sealed tenders must be received by the closing date and time.
3. Tenders received after the closing time and/or date will not be considered and will be returned **unopened** to the bidder.

- 4. Vendors may make substitutions or changes in a tender already submitted at any time before the due date and time deadline. Substitutions or changes may be submitted by withdrawing and replacing the original tender or by a formal **written** notification of adjustment(s). Verbal amendments or notification of adjustments will not be accepted.

Revised tenders or written notification of adjustments must be received by the tender closing date and time.

- 5. Withdrawal requests of tenders submitted by vendors will be allowed if the withdrawal request is received by CTRC before the official closing time for tenders. Withdrawal requests are to be made in writing.
- 6. A withdrawal of a tender before the closing time does not disqualify the tenderer from submitting another bid as long as it is received before the closing time and date.
- 7. If CTRC makes any amendments or clarifications to tender documents previously published/distributed, all suppliers that received the original documents must receive the notice of the changes. The time of an addendum to a tender call by CTRC must allow seven days before the tender's closing for a supplier to respond, or the closing date shall be extended to allow seven days for a supplier to respond.
- 8. Tenders received by the due date are opened in the presence of the Executive Director and two other CTRC Directors, Officers, or Employees. (To be called the Selection Committee or Evaluation Team).

There is no requirement for Broader Public Sector entities such as CTRC to hold public opening of tenders.

- 9. *The Selection Committee must sign a conflict of interest declaration and non-disclosure of confidential information agreement. Any person with a conflict of interest will not be allowed to participate on the selection committee.*
- 10. Once the supplier is selected, the Director who initiated the tender will issue a Purchase Order and/or formal signed written contract. The Director will forward the tender documents and documentation as to the criteria used to select the successful bidder to Financial Services with the "Financial" copy of the Purchase Order or signed written contract.

8. Information to be Supplied to Bidders for Procurement at \$121,200 or more

Once the agreement between the successful supplier and CTRC has been executed, CTRC must post, in the same manner as the tender documents were posted, contract award notification.

The contract award notification must list the name of the successful supplier, agreement start and end dates, and any extension options.

All unsuccessful suppliers who participated in the tendering process will be notified in writing that a contract has been signed and the competitive process is complete. The suppliers are to be thanked for participating in the tendering process.

Unsuccessful suppliers are also to be informed about their entitlement to a "supplier debriefing". Suppliers must request a debriefing in writing within 60 calendar days following the date of the contract award notification. No information or disclosure about the tender disposition or contract award is to be made verbally or before the formal debriefing session. This information will be supplied during the formal debriefing and documented accordingly.

9. Supplier Debriefing

The Supplier debriefing informs the supplier why their bid was not selected upon completion of the contract award process.

The following information will be supplied during the debriefing session:

- (A) The name and address of the successful bidder.
- (B) The successful total bid price.
- (C) The name and address of every bidder.
- (D) If criteria other than price was used in the evaluation of bids, the scoring of all criteria for the successful bidder and the scoring of all criteria for the bidder making the inquiry.
- (E) Information which address questions and issues raised by the supplier in relation to their submission.

CTRC is to retain all correspondence and documentation related to debriefing sessions. The details of the debriefing session is also to be recorded and retained on file.

10. Information to the Province of Ontario or to the Province of Quebec.

Under the Ontario-Quebec Trade and Cooperation Agreement each provincial government may obtain on request:

- (A) A copy of the tender documents.
- (B) The list of all suppliers who requested the documents.
- (C) The name, bid price and evaluated price of each considered bidder.
- (D) The scores of all bidders if criteria other than price was used in the evaluation.

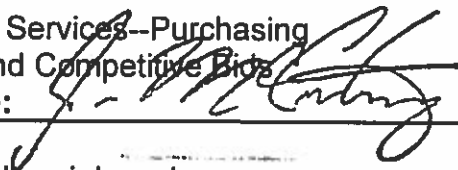
The MCCSS may also require annual reporting as to the total number and total value of construction contracts over the threshold (\$121,200) and the total value of all construction activity.

11. Exceptions to Tendering Requirements. (Non- Competitive Procurement)

Some exceptions are permitted in the procurement process for operational considerations such as unforeseeable emergencies, public security, or compliance with copyrights and warranty requirements, *and sole-source situations.*

Examples where exemptions from tendering procedures can apply:

- Procurements to ensure compatibility with existing products.
- Maintenance or repair of specialized equipment that must be carried out by the manufacturer or its representative.
- Where the carrying out of work by a contractor other than the contractor who did the original work will nullify the guarantees held.
- Work that involves the construction or renovation of rental buildings or parts of rental buildings and is being carried out by the lessor of the building. (Work on a rental building.)
- Purchases of goods already the subject of a lease-purchase agreement where payments are partially or totally credited to the purchase.
- In the absence of tenders *or bids* in response to a call for tenders or *request for quotations.*
- Goods purchased under exceptionally advantageous circumstances such as bankruptcy or receivership.
- Procurements for an unforeseeable situation of urgency where the procurement cannot be concluded in time by means of the formal tendering system. (Unforeseen emergency.)
- Procurements between public organizations or with a non-profit organization.
- Consulting services or goods regarding matters of a confidential nature, the disclosure of which would be contrary to the public interest.



- Health services and social services.
- Procurement of real property
- Procurement of services that may by legislation or regulation be provided only by a licensed professional: such as medical doctors, dentists, chiropractors, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, accountants, lawyers and notaries.
- Procurement of financial services for the management of financial assets And liabilities (i.e. treasury operations, banks)
- Sole Source situations where only one supplier or non-consulting service provider is able to meet the requirements of a procurement. Sole sourcing must not be used to avoid competition between suppliers and non-consulting service providers or to discriminate against suppliers and non-consulting service providers.

The Ontario-Quebec Procurement Agreement does not apply to:

- Contracts for services that can only be provided by licensed professionals such as doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, chartered accountants, lawyers and notaries.
- Purchases of goods or services provided by a statutory monopoly –
- e.g. utilities.
- Commercial crown corporations such as Ontario Hydro and Hydro-Quebec.

Board Approval is required for non-competitive procurement of goods and non-consulting services valued at \$121,200 or more.

Board Approval is required for non-competitive procurement of consulting services irregardless of value. The Board of Governors must not approve non-competitive procurement of consulting services unless there is an applicable exemption under the "Agreement on Internal Trade" or other applicable trade agreements.

12. Disputes and Bid Protests

To the extent possible disputes will be handled at the level of CTRC.

In situations where a supplier does not think its complaint has been addressed fairly, the supplier may register a complaint with its home province. (E.g. Ontario or Quebec under the Ontario-Quebec Procurement Agreement)

A province may request a full dispute panel to consider the complaint.

Procedure for Dispute Resolution:

1. The supplier addresses a complaint to CTRC in writing.
The Director or employee receiving the complaint will advise the supplier of the complaint process in place (e.g. issue a formal complaint in writing to CTRC).
The complaint will be directed to the Executive Director who will investigate and respond. *Legal experts (i.e. lawyers) may need to be consulted.*
2. If the supplier is still dissatisfied, the complaint will be directed to the Board of Governors who will investigate and respond.
3. If unsatisfied, the supplier notifies the home government. (E.g. Ontario or Quebec)
4. The home government consults with the government of the other province.
5. If still unresolved, the issue is brought to a panel of neutral experts for consideration.
6. The panel makes a recommendation to the ministers, who are to consult to seek a resolution.

Contact for Additional Information or for Electronic Advertising

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