



Summary of Procurement By-Law 2129 Approved by Council on March 07, 2022

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Procurement Methods

Procurement Method	Request for Proposal (RFP)	Request for Tender (RFT)	Request for Quotation (RFQ)	Informal, Low Value Procurement	Single/Sole Source Procurement
Definition	<p>Price is not the predominant award criteria. The details of the purchase are not well defined. The RFP process allows vendors to propose solutions or methods to arrive at a desired result and is for contracts.</p>	<p>Selection of vendor is made by price alone. A formal bid solicitation process for obtaining competitive bids for the purchase of goods and services that with adequately defined requirements for which a clear or single solution exists and for which the anticipated total acquisition cost of the purchase is expected to exceed \$120,000.</p>	<p>Selection of vendor is made by price alone. Same as a Request for Tender except it is used where the anticipated total acquisition cost of the purchase is not expected to exceed \$50,000 but less than \$120,000</p>	<p>Process for obtaining three quotes for goods and services by telephone, fax, in writing, or by any other method of communication. The purchase value is between \$10,001 to \$50,000.</p>	<p>Process for obtaining goods and services without seeking competitive pricing.</p> <ul style="list-style-type: none">• Purchase Value less than \$10,000.• Refer to Section 9.08 of the Procurement and Disposal of Goods and Services Policy for full details of when this process may be used.

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Old Procurement Thresholds VS New Procurement Thresholds

Procurement Process	Old Procurement Threshold Procurement Bylaw 1043	New Procurement Threshold Procurement Bylaw 2129
No formal Quotes Required	0 - \$5,000	0 - \$10,000
Informal Request for Quote(RFQ) / Informal Request for Proposal(RFP) <i>(At least three Quotes are required)</i>	\$5,001 - \$15,000	\$10,001 - \$50,000
Formal Request for Quote (RFQ) / Formal Request for Proposal(RFP)	\$15,001 - \$50,000	\$50,001 - \$120,000
Formal Request for Tender(RFT) / Formal Request for Proposal(RFP)	Above \$50,000	Above \$120,000
Council Approval	Above \$100,000	Goods / Services: >\$120,000, Construction Projects: >\$300,000

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Procurement By Law 2129 - Thresholds

Estimated Value of Goods or Services	Method of Procurement	Procurement Documentation Required	Authorization Required
\$0 to \$10,000	Minimum One (written/verbal) quote at the discretion of Department Head.	None	Department Head or Designated Staff.
\$10,001 to \$50,000	Three written comparative quotes required through Informal Request for Quotation or Informal Request for Proposal.	Purchase Order	Department Head - Up to amount in Approved Budget.
Purchases where requirements can be definitively specified or defined			
\$50,001 to \$120,000	Request for Quotation or Request for Proposal	Purchase Order	Department Head and Treasurer or CAO.
Greater than \$120,000	Request for Tender or Request for Proposal	Purchase Order and Contract, if applicable	Goods and Services: >\$120,000 Construction Projects: >\$300,000* Council based on recommendations provided by the Department Head in a report to Council, to which the Treasurer or CAO concur.
Purchases which meet the criteria for Sole/Single Source Procurement			
\$10,001 to \$50,000	Non-competitive procurement	Purchase Order	Department Head and Treasurer or CAO
\$50,001 to \$120,000	Non-competitive procurement	Purchase Order and Contract, if applicable	Department Head and Treasurer or CAO
Greater than \$120,000	Non-competitive procurement	Purchase Order and Contract, if applicable	Council based on recommendations provided by the Department Head in a Report to Council, to which the Treasurer or CAO concur.

* Construction Projects below between \$120,001 to \$300,000 have to be approved by CAO.

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Emergency Purchase

Authorization Required	Old Procurement Thresholds Procurement Bylaw 1043	New Procurement Thresholds Procurement Bylaw 2129
Chief Administrative Officer (CAO)	Less than \$10,000	Less than \$120,000
Information Report to Council with full details concerning the circumstances.	Greater than \$10,000	Greater than \$120,000

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New Procurement Principle

Promotes the Social Value including support local economy whenever making a purchase, to the extent that it is legally permitted.

- For purchases under \$10,000.00, only one quotation is required. Departments are encouraged to consider the support to local economy apart from quality, price, delivery time and service level, etc. whenever making a purchase.
- A minimum of three informal written quotations/proposals shall be required for purchases from \$10,001.00 to \$50,000, including applicable taxes, of which at least one (1) is from a local supplier, where possible.

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Local Preference VS Support Local Economy

Local Preference is not allowed according to:-

- The Federal Competition Act
- Ontario Discriminatory Business Practices Act
- Canadian Free Trade Agreement (CFTA)
- Canada-European Comprehensive and Economic Trade Agreement (CETA)

Support Local Economy through:-

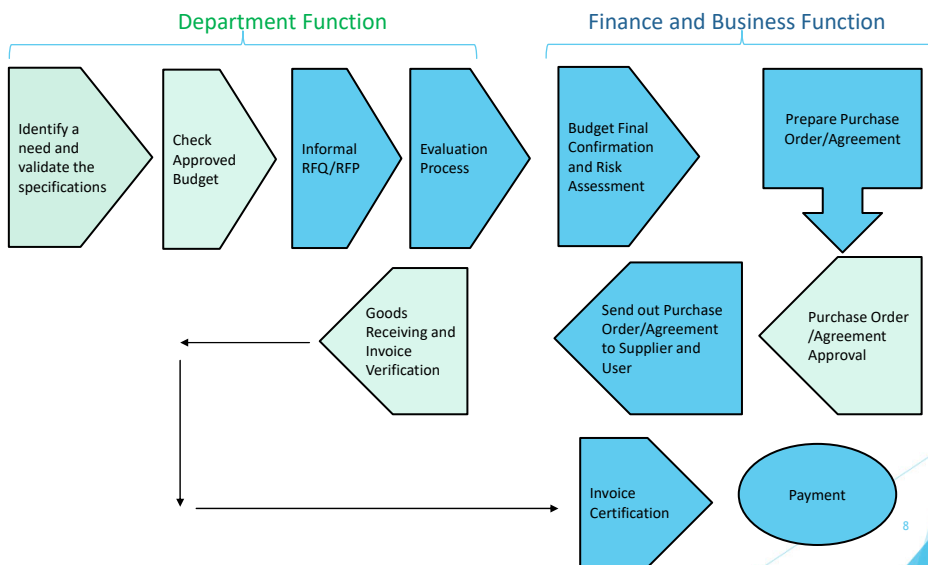
- Low Value Purchase 0 - \$10,000, only one quote is required. Consider supporting local economy apart from Quality, Price, Delivery time or Service Level, etc.
- Invite at least one local supplier, where possible, in the situation of Informal RFQ/RFP process.

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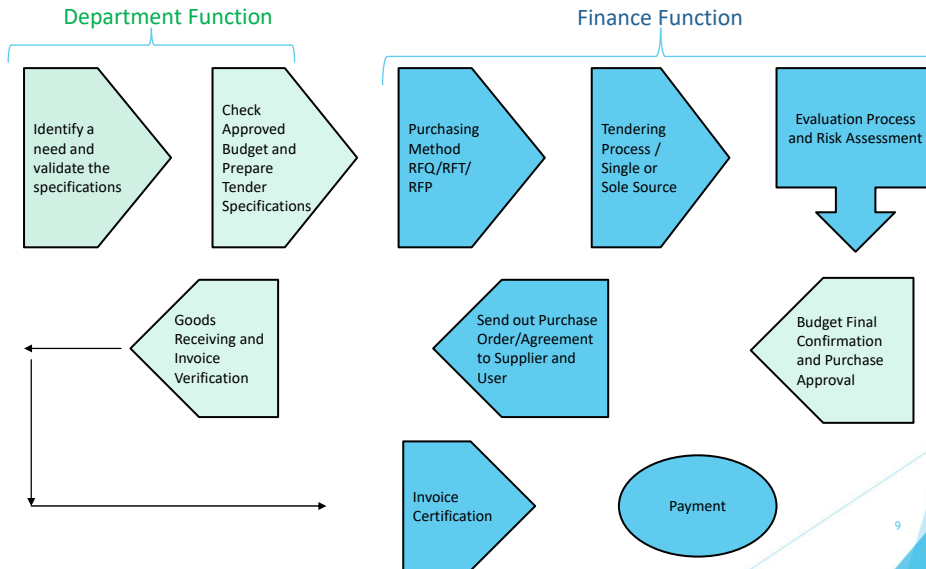
Informal RFQ/RFP Procurement Process



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Procurement Process (over \$50,000)



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Situations need Council Approval

- Funds are not contained within the Council approved budget to meet the proposed expenditure including multi-year contract; the Department Head shall submit a report to Council
- Department Heads wishing to acquire or use goods and services through an external third-party financing lease beyond one operating year shall receive approval of Council before entering into a lease or financing arrangement.
- Council Approval is required if the contract is not being awarded to the lowest bid that has met the specifications and terms and conditions of the Request for Quotation or Request for Tender (i.e., purchase value above \$50,000).
- Council approval for changes to the original awarded price of a Contract that increase the original awarded price of the Contract by more than \$50,000 shall be approved by Council.

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Ontario's Trade Commitments

Two Domestic Trade Agreements:

- ▶ Canadian Free Trade Agreement (CFTA)
- ▶ Ontario-Quebec Trade and Cooperation (OQTCA), a comprehensive bi-lateral agreement with the province of Quebec (**aligns with CFTA**)

One International Trade Agreement:

- ▶ The Canada-European Union (EU) Comprehensive Economic and Trade Agreement (CETA)

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CFTA and CETA - Thresholds

Trade Agreement	Procurement Type	Municipalities to follow
CFTA	Goods	\$121,200
	Services	\$121,200
	Construction	\$302,900
CETA	Goods	\$366,800
	Services	\$366,800
	Construction	\$9,100,000

CFTA and CETA thresholds are adjusted every two years, at the start of the year. They will be revised next on January 1, 2024.

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