



BMAHC Purchasing and Development Policy

Goals

The goals of this BMAHC Purchasing and Development Policy are:

1. to guide the Board, employees and vendors on the procuring goods, services and the development and construction of BMAHC assets in a manner that promotes fairness, openness, ethical, legal, professional and accountable sourcing strategies; and
2. obtaining the best value for money by ensuring quality, efficiency and effectiveness.

Purpose

This policy will ensure openness, accountability and transparency of BMAHC purchasing while protecting the financial best interest of the BMAHC.

BMAHC's contracting and procurement practices will follow accepted normal commercial practices and will be guided by the following principles:

- Use fair, open, and transparent processes that afford equal access to all qualified vendors and encourages competition amongst suppliers; and
- Effective balance between accountability and transparency and efficiency; and
- Where practicable, provide accessibility for persons with disabilities when purchasing goods, services and construction: and
- Where possible and subject to cost implications, be environmentally conscious through the purchase of goods and services; and
- Select reputable vendors that are well-qualified in their respective areas of expertise; and
- Ensure that contracts achieve optimal value for BMAHC's approved financial and service delivery objectives; and
- Reciprocal non-discrimination and geographic neutrality with respect to Ontario's trading partners; and
- Require that employees of BMAHC conduct their contracting activities adhering to the highest ethical standard; and



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- Keep appropriate and adequate records of the selection process and, upon request, provide feedback to unsuccessful proponents; and
- Comply with all applicable laws, regulations, bylaws, policies and trade treaties, affecting municipally owned Corporations.

Scope

This policy applies to the procurement of all goods, services of BMAHC as well as the development and construction of BMAHC assets by all officers, directors, employees, agents and designated representatives of BMAHC.

Procedures

The Board of BMAHC shall have the authority to develop procedures to implement this Policy in association with the Executive Director.

The Executive Director of the BMAHC will administer this policy.

Any question involving the meaning or application of this policy is to be submitted to the Executive Director of the BMAHC who will resolve the question and may consult with the Manger of Purchasing for The Town of The Blue Mountains.

No contract or purchase shall be divided to avoid any requirements of this policy.

Achieving Optimal Value for Procurements

Except for compliant Request For Tender procurements, BMAHC's acceptance of any contract or procurement of real property will be based on achieving optimal value. Price is not the sole determinant and is only a criterion in determining optimal value. In determining optimal value, BMAHC will take into consideration:

- Any other factors including the experience, quality of the product, quantity, service level, timely delivery, reputation and financial capacity of the supplier, references or any other defined criteria related to selecting a vendor: and
- The price and terms of the offer.

1. Procurement Goods, Services and Construction

All purchase of goods, services and construction will be undertaken utilizing one of the following methods of procurement, using standardized documents.



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A. Direct Purchasing

Direct purchase, as described below, may be used when:

- 1) The dollar value of the item is equal to or less than \$5,000.
- 2) The item is not covered under a Blanket Order Contract.

B. Request for Quotation (“RFQ”)

Request for Quotation procedures will be used when:

- 1) The cost of the item is between \$5,000 and \$24,999.
- 2) The ability exists to detail what is being purchased.
- 3) The best value for the BMAHC can be achieved by an award selection made on the basis of the lowest compliant bid that meets the RFQ specifications.

C. Request for Tender (“RFT”)

RFT procedures will be used when:

- 1) The cost of the item is \$25,000 or greater.
- 2) The ability exists to detail what is being purchased,
- 3) The best value for the BMAHC can be achieved by an award selection made on the basis of the lowest compliant bid that meets the RFT specifications.

D. Request for Proposal (“RFP”)

Request for Proposal procedures will be used when:

- 1) The requirement is best described in a general performance specification.
- 2) Innovative solutions are sought.
- 3) The Award selection will be made based on a fully disclosed evaluation method involving a combination of mandatory and desirable requirements.

E. Blanket Order Contracts

Blanket Order Contracts occur as a result of a previous competitive bid, which establishes the successful bidder as the preferred source for a product or service over a specific term.

F. Unsolicited Proposals

Unsolicited bids received by the BMAHC will be reviewed by the Executive Director and will be considered:

- 1) if submitted in writing detailing information on a product or service that may provide the BMAHC with significant value or savings
- 2) If an independent party engaged by the Board advises the Board that:
 - a) The procuring goods, services and the development and construction of BMAHC assets resulting from the Unsolicited Proposal promotes



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fairness, openness, ethical, legal, professional and accountable sourcing strategies; and

- b) obtains the best value for money by ensuring quality, efficiency and effectiveness.

G. Cooperative Purchasing

The BMAHC may participate in co-operative purchasing arrangements with other departments of The Town of The Blue Mountains or other municipalities, counties/regions, associations, local boards and public agencies within the Province, provided that:

- 1) The BMAHC must satisfy themselves that the host agency will be proceeding to the open market to obtain competitive pricing; and
- 2) Award approvals of all Co-operative Purchasing contracts shall be in accordance with the Purchasing Procedures; and
- 3) Notice of Participation in cooperative purchases will be posted annually to the BMAHC's website.

H. Sole and Single Sourcing

- 1) Sole Sourcing is a method of procurement whereby a contract is awarded without a competitive bidding process due to the fact that the supplier is the only source of supply for the required goods or services. Sole Sourcing will be permitted if one or more of the following circumstances apply:
 - a) One supplier/contractor possesses the unique ability or capability to meet the requirements of BMAHC due to a patent, sales/distributor agreement, unique supply that cannot be replicated by another vendor, or copyright, or
 - b) The required supply relates to necessary unique replacement parts from an exclusive source of supply, or
 - c) The required supply relates to the purchase of parts that must be compatible with goods previously supplied, and there are no reasonable alternatives to the products, or
 - d) The required supply relates to the need to maintain warranty or service agreement compliance for previously purchased products, or
 - e) When the required item is covered by an exclusive right such as a patent, copyright or exclusive license.
- 2) Single Sourcing is a method of procurement whereby there is more than one vendor able to supply and a contract awarded without a competitive bidding process. Single Sourcing will be permitted if one or more of the following circumstances apply:

- a) disclosure of information in an open contract competition would breach some duty of confidentiality or compromise security, or
- b) the compatibility of a purchase with existing equipment, product standards, facilities or service is a paramount consideration, or
- c) there is an absence of competition for technical reasons and the Goods and/or Services can only be supplied by a particular Supplier, or
- d) an unforeseeable situation of urgency exists and the Goods and/or Services cannot be obtained in time by means of open procurement procedures, or
- e) there are no bids in response to a Bid Solicitation, or
- f) a roster for professional services has been developed, or
- g) when competitive procurement may be found to be impractical, or
- h) where a good is purchased for testing or trial use and there is a clearly established deadline for the testing or trial period that does not exceed 12 months, or
- i) when an urgent procurement is necessary for fulfilling a statutory order issued by a federal or provincial authority (i.e. compliance order).

In order for BMAHC to sole or single source for goods or services exceeding \$25,000, an operating strategy must be presented to the Board of the BMAHC, outlining the rationale. Input may be sought from the Town of The Blue Mountains Manager of Purchasing.

2. Procurement Real Property

The purchase, sale and development of real property will be undertaken using one of the following methods. All agreements on all land purchases, acquisitions and leasehold arrangements will be subject to Board approval.

Development Proposals must protect and develop optimal asset value for BMAHC and realize an optimal return on land and property assets held by BMAHC while ensuring that other BMAHC and shareholder objectives are met.

In determining optimal value for a land sale or leasehold for the purposes of development, BMAHC will take into consideration:

- The price and terms and conditions of the offer, and
- The net present value of any leasehold if it exists; and
- Relative comparators in the marketplace as determined by a qualified advisor engaged by the Board; and
- The purchaser's experience/expertise, financial capability, and
- The resulting development project attributes (including conformity to land use policies; design attributes; innovative concepts); and
- The resulting development project's ability or plan to support for BMAHC's



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objectives; and

- The purchaser's references; and
- Any other of the development project's specific features or characteristics.

In determining optimal value for an acquisition, BMAHC will take into consideration:

- Price and terms and conditions of the acquisition; and
- The land or property acquisition's attributes (including conformity to land use policies; design attributes; innovative concepts); and
- The land or property acquisition's ability or plan to support for BMAHC's objectives; and
- Relative comparators in the marketplace as determined by a qualified advisor engaged by the Board; and
- Potential development value and timing.

A. Unsolicited Development Proposals

- 1) Unsolicited Development Proposals may be considered from time to time from qualified firms.
- 2) Unsolicited Development Proposals received by the BMAHC will be reviewed by the Executive Director and the Board and will only be considered for further action by the BMAHC:
 - a) if submitted in writing and in detail, and
 - b) if the submission clearly details how the Unsolicited Development Proposal provides the BMAHC with significant value or savings over any other procurement process; and
 - c) If an independent party engaged by the Board advises the Board that:
 - i. The development and construction of BMAHC assets resulting from the Unsolicited Development Proposal promotes fairness, openness, ethical, legal, professional and accountable sourcing strategies; and
 - ii. obtains the best value for money for the BMAHC by ensuring quality, efficiency and effectiveness that would otherwise not be achieved using another procurement process.

B. Development Proposal Competitive Process

Except as otherwise provided in this policy, a competitive process will be initiated for all Development Proposals through a Request for Proposal ("Development Proposal RFP"). The Development Proposal RFP will outline requirements for concept, financial outline, demonstration of experience and financial capacity. Innovation will always be encouraged, and proponents will be aware of the selection criteria and weighting and that the selected proposal will not necessarily be the best financial proposal.



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In order to achieve the best value for BMAHC, as part of the Development Process Competitive Bid process, the BMAHC may enter into negotiations with a shortlist of compliant bidders as set out in the competitive process documents. This process shall be monitored by a fairness advisor engaged by the Board, to ensure that the development and construction of BMAHC assets proceeds in a manner that promotes fairness, openness, ethical, legal, professional and accountable sourcing strategies; and obtains the best value for money by ensuring quality, efficiency and effectiveness.

C. Sole Source Development Proposal

BMAHC may elect to approach a particular builder or property owner to prepare a proposal for development where that proponent is perceived as in a unique position to provide a desired development. In order to proceed with a Sole Source Development proposal, the Board will engage a fairness advisor to confirm that:

- 1) The Sole Sourced Development Proposal promotes fairness, openness, ethical, legal, professional and accountable sourcing strategies; and
- 2) The Sole Sourced Development Proposal obtains the best value for money for the BMAHC by ensuring quality, efficiency and effectiveness that would otherwise not be achieved using another procurement process.

D. Acquisitions

From time to time, opportunities will present themselves for the acquisition of strategically important pieces of property that will aid in the overall development of attainable housing. In such cases, a careful evaluation of the marketplace will be conducted to ensure acquisition at a fair market value and terms that meet the needs of BMAHC.

3. Conflict of Interest

It is the responsibility of all staff or Board members involved in bid solicitation or evaluation to disclose any inherent or potential Conflict of Interest. Any staff or Board member disclosing a Conflict of Interest will remove her/himself from the associated procurement process.

4. No Local Preference

In accordance with the Discriminatory Business Practices Act, there shall be no local preference given to any Bidder when awarding a Bid for purchase of goods, services, construction and development for BMAHC.



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5. Lobbying Prohibited

BMAHC is entitled to reject a bid submission if any representative of a bidder, including any other parties that may be involved in a joint venture, consortium, subcontractor or supplier relationship, makes any representation or solicitation to any elected official, employee or agent of BMAHC.

6. Authorizations

The Board of the BMAHC has the ultimate authority for all expenditures. BMAHC Board provides the authority to staff for the initiation and completion of procurement processes for goods, services and construction through the authorization of annual budgets or resolutions.

Despite any other provisions of this Policy, the following procurements, over \$25,000, excluding taxes, are subject to prior the approval of the Board of the BMAHC:

- A. Any acquisition of goods or services that is not already approved in the current year's budget, such as items requiring pre-budget approval or post-budget amendments, must be reported to the Board to have the expenditure authorized; and
- B. Where the net revenue amount proposed for acceptance is lower than the Board approved budget; and
- C. Any contract where the award is not being recommended to the lowest compliant bidder, with the exception of Request for Proposals; and
- D. Any contract anticipated to be financed by debentures.

The Executive Director will provide a report to the Board of the BMAHC on a monthly basis outlining all awards that fall within Executive Director Authorized Awards in excess of \$25,000.

7. Authority to Reallocate Approved Budget Funds

To ensure proper expenditure management and budget accountability, the Executive Director is responsible for ensuring that all purchases remain within the BMAHCs approved operating budget or approved capital project budget, unless otherwise provided for in this policy.

Reallocation of funds between Operating Budgets and Capital Budgets is not permitted under any circumstances.



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In order to allow purchases to proceed which exceed the approved budget, the Executive Director shall have the authority to reallocate funds, without exceeding the aggregate budget within their control, under the following conditions:

Operating Budget

- a. The shortfall for the purchase of the goods or service is less than \$10,000;
- b. All changes must be one-time and shall not affect the base budget;
- c. Reallocations may only occur within or between supplies and services accounts;
- d. General scope of work or service delivery method cannot be changed;
- e. The funding source must be the same for all accounts affected by the reallocation.

Capital Budget:

- a. The shortfall cannot exceed 20% of the project budget to a maximum of \$75,000;
- b. General scope of work or service delivery method cannot be changed;
- c. If reallocating funds from a capital project/component, the capital project/component in which funds are being transferred from must already be an Awarded project/component;
- d. Revised Bid Award Form must be completed when funds are reallocated;
- e. The funding source must be the same for all accounts affected by the reallocation.

All other budget over-runs must be approved by the Board of the BMAHC before the Award is made.

8. Authority to Award

The Executive Director has authority to Award a Bid arising from a Direct Purchase, Tender or RFP. Bids to be awarded by all other procurement methods are subject to approval from BMAHC Board. For the purposes of clarity, only the Board of BMAHC has the authority to award contracts under the Development Proposals procurement method.

9. Authority for Payment

The Executive Director has authority to execute payments of all expenditures in approved budgets or approvals by Board Resolution in accordance with signing authorities of BMAHC.



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10. Accessibility and Procurement

It is important that procurement processes are inclusive so that all vendors can participate, and all contracted parties are aware of the need to provide accessible goods and services.

11. Policy Review Cycle

This **Purchasing and Development Policy** is effective on the day of approval by the Board of BMAHC until amended by the Board of BMAHC. The Executive Director shall ensure that the Board of BMAHC review and approve any continuation or modification of this **Purchasing and Development Policy** before December 31, 2024.

Schedule A: Irregularities Contained within Paper Bids

The following list of irregularities should not be considered all inclusive. The Board of the BMAHC and Executive Director, as may be warranted, in consultation with any or a selection of the following, respective departmental staff of the Town of The Blue Mountains, and/or the BMAHC's Solicitor, shall review irregularities not specifically listed and, acting in the best interests of the BMAHC, have authority to waive such irregularities, permit correction to the irregularity or reject the submission.

| | Irregularity | Response |
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| 1 | Late submissions. | Rejection; not opened or read publicly. Submission to be returned to submitter. |
| 2 | Insufficient financial security (no bid bond/deposit or agreement to bond or insufficient bid bond/deposit) | Automatic rejection for no bid deposit. Automatic rejection for no agreement to bond. 48 hours to correct shortfall in bid deposit if less than required by no more than 10%. ³ |
| 3 | Conditional bids (bids qualified or restricted by an attached statement). | Automatic rejection unless the qualification or restriction is insignificant. |
| 4 | Illegible or obscure bids, non-initialed erasures, non-initialed alterations. | Automatic rejection. |
| 5 | Documents, in which all necessary Addenda which have significant financial or scope implications have not been acknowledged. | Automatic rejection. |
| 6 | Documents in which all necessary Addenda which do not have significant financial or scope implications have not been acknowledged. | 48 hours to submit. |
| 7 | Bids received from bidders who did not attend mandatory site visit(s). | Automatic rejection. |
| 8 | Bids received on documents other than those provided by BMAHC when specified to do so. | Automatic rejection. |
| 9 | Failure to insert the bidder's business name in the space(s) | 48 hours to submit. |

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| | provided on Mandatory Submission Pages. | |
| 10 | Failure to include the signature of the person authorized to bind the bidder in the space provided on the Tender / Proposal Form. | 48 hours to submit. |
| 11 | More than one submission from the same submitter and not identified as an alternative or optional submission and no written withdrawal notice has been received. | The submission package bearing the most recent date/time stamp will be considered the intended submission and the previously date/time stamped submission will be considered withdrawn and will be returned to sender, unopened. |
| 12 | Bids containing mathematical errors. | <p>If the amount tendered for a unit price item does not agree with the extension of the estimated quantity and the tendered unit price, or if the extension has not been made, the unit price shall govern and the total price shall be corrected accordingly.</p> <p>If both the unit price and the total price are left, blank, the bid will be rejected as incomplete.</p> <p>If the unit price is left blank but a total price is shown for the item, the unit price shall be corrected according to the total provided.</p> <p>If the Tender contains an error in addition and/or subtraction in the approved tender documentation format requested (i.e. not the additional supporting documentation supplied), the error shall be corrected and the corrected total Contract price shall govern.</p> <p>Tenders containing prices which appear to be so unbalanced as to likely affect the interest of the Town adversely will be clarified and may be rejected.</p> |

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| 13 | Other minor irregularities. | BMAHC shall have authority to waive irregularities, which they jointly consider to be minor. |
| 14 | Any irregularity. | Despite all provision herein contained, BMAHC may waive any irregularity where it considers it to be in the best interest of BMAHC. |

Schedule B: Irregularities Contained within Electronic Bids

The following list of irregularities should not be considered all inclusive. The Board of the BMAHC and Executive Director, as may be warranted, in consultation with any or a selection of the following, respective departmental staff of the Town of The Blue Mountains, and/or the BMAHC's Solicitor, shall review irregularities not specifically listed and, acting in the best interests of the BMAHC, have authority to waive such irregularities, permit correction to the irregularity or reject the submission.

| | Irregularity | Response |
|---|---|---|
| 1 | Late submissions – bid received after the closing date and time specified in the bid document. | Bidding system does not accept late bids. ² |
| 2 | Addenda not acknowledged. | Bidding system does not accept bids that have not acknowledged all addenda. ³ |
| 3 | Site meeting – bidder did not attend a mandatory site meeting. | Bidding system does not allow submissions from vendors that have not attended a mandatory site meeting. |
| 4 | Method of delivery – where the bid has been submitted via any other method other than through the Bidding System, where no such provision is allowed for in the bid document. | Bid declared non-compliant. |
| 5 | Format – bid not on the form supplied by BMAHC or not in the format specified in the bid | Bid declared non-compliant. |

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| | document. | |
| 6 | Bid Bond/Agreement to Bond – bond is missing, the amount is less than the amount indicated in the bid document or the bonding company is not licenced to conduct business in Ontario. | Bid declared non-compliant. |
| 7 | Bid Bond – Bond is not electronically verifiable/enforceable (e-Bonds) as indicated in the bid documents. | Bid declared non-compliant. |
| 8 | Documents – document provided through the Bidding System are not the required documents or are not legible. | Bid declared non-compliant. |
| 9 | Qualified Bid – where the bid has been qualified by changes to specifications or major requirements and acceptance would allow an unfair advantage over competitors. | Bid declared non-compliant. |
| 10 | Other minor irregularities. | BMAHC have authority to waive irregularities considered to be minor. |
| 11 | Any irregularity. | Despite all provisions herein contained, BMAHC may waive any irregularity where it considers it to be in the best interest of BMAHC. |

Approval, Review, Revisions

| Approval Date | Approved By | Originated By | Review / Revision Details |
|---------------|-------------|---------------|---------------------------|
| May 2020 | BMAHC Board | S McCormick | New Policy |
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