

THE REGIONAL MUNICIPALITY OF HALTON

BY-LAW NO. 63-23

A BY-LAW AUTHORIZING PROCUREMENT FOR THE REGIONAL MUNICIPALITY OF HALTON AND TO REPEAL BY-LAW NO. 74-15.

WHEREAS The Regional Municipality of Halton has established sound policies for the procurement of goods and services in a manner congruent with its public mandate to provide effective, responsive government and efficient delivery of services to the residents of The Regional Municipality of Halton;

AND WHEREAS this By-law is enacted pursuant to Section 270 of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, which requires municipalities to adopt and maintain policies with respect to various matters including its procurement of goods and services;

AND WHEREAS this By-law establishes the authority by which Goods, Services and/or Construction shall be procured and disposed of for the purposes of The Regional Municipality of Halton subject to certain exceptions set out herein;

AND WHEREAS Regional Council passed By-law No. 74-15 on June 17, 2015 and has deemed it is necessary to repeal and replace By-law No. 74-15, as amended.

NOW THEREFORE THE COUNCIL OF THE REGIONAL MUNICIPALITY OF HALTON HEREBY ENACTS AS FOLLOWS:

1. SHORT TITLE

1.1 This By-law may be cited as the "Procurement By-law".

2. PURPOSE, GOALS AND OBJECTIVES

2.1 The purpose, goals and objectives of this By-law are to:

- a) establish the authority for the fair, open, consistent and transparent procurement of Goods, Services and/or Construction by the Region;
- b) encourage competition among Vendors for the supply of Goods, Services and/or Construction;
- c) maximize value for the Region;
- d) encourage and support procurement integrating equity, diversity, inclusion, moving forward toward Truth and Reconciliation,

environmental, and social considerations in the Region's procurement solicitations;

- e) respect regional, national and international trade agreement public procurement obligations, provincial legislation and applicable law; and
- f) ensure that accessibility design criteria and features shall be incorporated when procuring Goods, Services and/or Construction as required by Ontario Regulation 191/11 – Integrated Accessibility Standards, enacted pursuant to the *Accessibility for Ontarians with Disabilities Act, 2005*, S.O. 2005, c. 11, except where it is not practicable to do so.

3. DEFINITIONS

3.1 Unless the context otherwise requires, capitalized terms and phrases not otherwise defined in this By-law shall have the meanings specified or referred to below:

- a) "Award" means the award of a Contract by the Region to one (1) or more Bidders based on the procurement solicitation evaluation criteria;
- b) "Bid" means a Bidder submission offered in response to a procurement solicitation;
- c) "Bidder" means a Vendor that submits a Bid;
- d) "Buying Group" means a group of two or more members that combines the purchasing requirements and activities of the members of the group into one joint procurement process. Buying groups include cooperative arrangements in which individual members administer the procurement function for specific contracts for the group, and more formal corporate arrangements in which the buying group administers procurement for group members. Buying groups may consist of a variety of entities, including any combination of procuring entities, private sector entities, or not-for-profit organizations;
- e) "By-law" means this By-law No. 63-23, a By-law Authorizing Procurement for The Regional Municipality of Halton;
- f) "CAO" means the Chief Administrative Officer of the Region, the Acting Chief Administrative Officer, or their designate;
- g) "Central Stores" means the centralized inventory function within Supply Chain Management;

- h) “Centralized Procurement” means a procurement solicitation for Goods, Services and/or Construction with a Contract Value greater than \$50,000 which is facilitated by Supply Chain Management;
- i) “CETA” means the Canada-European Union Comprehensive Economic and Trade Agreement, effective September 21, 2017;
- j) “CFTA” means the Canadian Free Trade Agreement, effective July 1, 2017;
- k) “Commissioner” means the Commissioner of a Department, the Acting Commissioner, or their designate, and includes the CAO;
- l) “Commissioner of Digital and Information Services” means the Commissioner of the Digital and Information Services Department, the Acting Commissioner of Digital and Information Services, or their designate;
- m) “Commissioner of Corporate Services” means the Commissioner of the Corporate Services Department, the Acting Commissioner of Corporate Services, or their designate;
- n) “Competitive Process” means an open procurement solicitation for Goods, Services and/or Construction where Bids are publicly solicited in the marketplace;
- o) “Conflict of Interest” includes the following:
 - i) in relation to a procurement solicitation process, where one (1) or more individuals acting on behalf of the Region, including an agent, elected official or employee of the Region:
 - a) has a personal relationship or familial relationship with a Bidder, or has a material interest in a Bidder;
 - b) is a former employee of a Bidder, within the previous twelve (12) months;
 - c) has a direct or indirect financial interest in a Bidder’s business;
 - d) has assisted a Bidder, directly or indirectly, in the preparation of a Bid;

- e) has given or received a direct or indirect personal gain or benefit, or a direct or indirect advantage or privilege by a Bidder; or
 - f) has, or may be perceived to have, a vested interest in the outcome of the evaluation of a Bid that goes beyond the duty to be fair, objective and professional.
- ii) in relation to the procurement solicitation process, where a Bidder or an employee of a Bidder that has, or may be perceived to have, an unfair advantage or has engaged in conduct, directly or indirectly, that may give it an unfair advantage including, but not limited to:
- a) communicating with any elected official, agent or employee of the Region with a view to influencing the outcome of a procurement solicitation process; or
 - b) engaging in conduct that compromises, or may be perceived to comprise, the integrity of the procurement process;
- iii) in relation to the performance of the Contract outlined in the procurement solicitation, where a Bidder's commitments, relationships or financial interests compromise, impair or are incompatible with the effective performance of the Bidder's contractual obligations;
- p) "Construction" means any construction, reconstruction, demolition, repair or renovation of a building, structure, road or other engineering or architectural work;
- q) "Contract" means a binding written agreement, including a Purchase Order, between the Region and one (1) or more Vendors for the supply of Goods, Services and/or Construction, or a combination thereof;
- r) "Contract Extension" means an extension of the term of a Contract in accordance with the Contract terms and conditions;
- s) "Contract Value" means the total value or price of the Goods, Services and/or Construction, excluding Harmonized Sales Tax, procured or expected to be procured over the Contract term, including all Contract Extension options;
- t) "Contract Value Amendment" means an amount to be added to the Contract Value due to a required change to the Contract;

- u) “Corporate Counsel” means the Corporate Counsel, the Acting Corporate Counsel, or their designate;
- v) “Corporate Records Management Program” refers to the Region’s policies and procedures relating to the creation and maintenance of corporate records;
- w) “Council” means the Council of The Regional Municipality of Halton;
- x) “Day” means calendar day, including weekends and statutory holidays;
- y) “Decentralized Procurement” means a procurement solicitation for Goods, Services and/or Construction with a Contract Value of \$50,000 or less;
- z) “Department” means any department of the Region;
- aa) “Department Representative” means an employee of the Region acting on behalf of the Region to procure Goods, Services and/or Construction;
- bb) “Direct Negotiation” means a single or sole source procurement method whereby the Region enters into a Contract for the supply of Goods, Services and/or Construction directly with a Vendor;
- cc) “Director” means the Director of a Division, the Acting Director, or their designate;
- dd) “Director of Legal Services” means the Director of the Legal Services Division, the Acting Director of Legal Services, or their designate;
- ee) “Director of Supply Chain Management” means the Director of the Supply Chain Management Division, the Acting Director of Supply Chain Management, or their designate, or any other person selected by the Commissioner of Corporate Services from time to time;
- ff) “Division” means any division of a Department;
- gg) “Emergency” means an urgent situation brought about by events unforeseeable by the Region as a result of which Goods, Services and/or Construction cannot be obtained in time using a Competitive Process or an Invitational Process. Emergency includes situations that pose an immediate threat to the health and safety of persons and/or damage to property or the

environment, whether arising from an accident, by force of nature, or otherwise, as well as situations that affect or could affect the immediate supply chain of the Region;

- hh) “Goods” means material, furniture, merchandise, equipment, stationery and other supplies and goods, including any incidental services;
- ii) “Halton Region Code of Conduct” means the Region’s Code of Conduct, applicable to all employees of the Region;
- jj) “Information Technology” means hardware, software, networking, infrastructure and processes used to create, process, store, retrieve, secure and exchange all kinds of data and information;
- kk) “Invitational Process” means a procurement solicitation for Goods, Services and/or Construction where the Region solicits Bids from three (3) or more invited Vendors to participate in the procurement solicitation;
- ll) “Obsolete” means inventory that is outdated, no longer used and/or is at the end of its useful/economic lifecycle;
- mm) “Prequalification Process” means an open process where multiple Vendors are asked to submit their competencies or qualifications for one (1) or more future Region procurement solicitations;
- nn) “Public Entity” means any government, government agency, municipality, local board or non-profit corporation carrying out a public mandate;
- oo) “Public Procurement Website” means the Region’s publicly accessible procurement website for issuing procurement solicitations and/or receiving Bids;
- pp) “Purchase Order” means a written order, including its terms and conditions, issued by the Region for the supply of Goods, Services and/or Construction, or a combination thereof;
- qq) “Purchasing Card” means a credit card issued in accordance with the Region’s Purchasing Card Policy to purchase Goods, Services and/or Construction;
- rr) “Region” means The Regional Municipality of Halton;
- ss) “Request for Expression of Interest” means a request made by the Region seeking responses from the marketplace for the

purpose of gathering information and identifying Vendors who may be interested in providing Goods, Services and/or Construction to the Region as part of a potential future procurement solicitation process;

- tt) “Request for Information” means a request made by the Region seeking responses from the marketplace for the purpose of gathering information to assist with the development of a potential future procurement solicitation;
- uu) “Request for Proposal” means a procurement solicitation whereby the Region evaluates proposals on both technical/qualitative and cost merits, in accordance with the evaluation criteria described in the solicitation document and may include negotiations;
- vv) “Request for Quotation” means a procurement solicitation that includes commercial terms and is typically lower value than a Request for Tender, with clearly defined scope of Goods, Services and/or Construction where cost is the primary evaluation criterion when making an Award;
- ww) “Request for Tender” means a procurement solicitation that includes commercial terms with clearly defined scope of Goods, Services and/or Construction where cost is the primary evaluation criterion when making an Award;
- xx) “Services” means a non-physical, intangible product resulting from a Vendor’s performance that cannot be stored or transported and that comes into existence at the time it is bought or consumed;
- yy) “Standing Arrangement” means an arrangement with one (1) or more Vendors under which the Region may procure Goods, Services and/or Construction from the Vendor(s) on an as-required basis;
- zz) “Supply Chain Management” means the Division within the Region responsible for administering this By-law and the Region’s procurement processes, policies and procedures;
- aaa) “Surplus Inventory” means excess inventory of materials, supplies and equipment held for ongoing use, and may include inventory determined Obsolete by a Department for the purposes of disposal;
- bbb) “Treasurer” means the Treasurer of the Region, the Deputy Treasurer, or their designate;

- ccc) “Unsolicited Proposal” means a proposal from a Vendor that has not been requested through a Regional procurement solicitation process, advising of the Vendor’s ability to supply the Region with Goods, Services and/or Construction;
- ddd) “Vendor” means any legal person or entity providing or interested in providing Goods, Services and/or Construction, including suppliers, contractors, consultants and other service providers;
- eee) “Vendor Code of Conduct” means the Region’s Vendor Code of Conduct, as available on the Region’s website at www.halton.ca;
- fff) “Vendor Performance Management Policy” means the Region’s policy providing guidance on Vendor performance evaluations for Vendors contracted by the Region using a procurement solicitation in accordance with this By-law, as available on the Region’s website at www.halton.ca;
- ggg) “Vendor of Record List” means a list of Vendors that have been prequalified to provide Goods, Services and/or Construction to the Region.

4. GOVERNANCE OVERVIEW

4.1 As set out and described more fully in this By-law, the governance and oversight responsibilities related to the Region’s procurement activities are as follows:

a) Council

Council approves this By-law pursuant to which procurement activities will be undertaken by the Region based on Council approved master plans, strategic priorities and budget(s).

b) Chief Administrative Officer (CAO)

i) The CAO has delegated authority for administrative processes pursuant to this By-law. The CAO, in consultation with Commissioners and the Treasurer, determines all required approvals and signing authorities for staff to follow under this By-law.

ii) The CAO has authority to approve an Emergency purchase where there are insufficient Council approved budget funds.

c) Commissioner of Corporate Services

The Commissioner of Corporate Services has general oversight of the Supply Chain Management Division and reporting responsibilities relating to procurement pursuant to this By-law.

d) Treasurer

The Treasurer has general financial oversight relating to Council approved budgets for procurement pursuant to this By-law.

e) Director of Supply Chain Management

The Director of Supply Chain Management leads the Supply Chain Management Division and has the overall responsibility for all procurement activities of the Region including policies and procedures pursuant to this By-law.

f) Supply Chain Management Division

Supply Chain Management Division is responsible for:

- i) facilitating all Centralized Procurements;
- ii) facilitating all Prequalification Processes;
- iii) establishing procurement processes, procedures, policies and templates for all Decentralized Procurements;
- iv) ensuring open, fair, and transparent processes for the Region's procurement of Goods, Services and/or Construction;
- v) establishing, administering and maintaining procurement policies and procedures in accordance with this By-law, CETA, CFTA and applicable law;
- vi) ensuring adequate training is provided to Departments for this By-law and procurement processes, procedures and policies;
- vii) advising on appropriate procurement solicitation strategies, methods and templates for procuring Goods, Services and/or Construction;
- viii) advising, in consultation with the Department Representative, on whether a procurement solicitation is to include social and environmental considerations, pursuant to Section 21, Procurement Considerations;

- ix) approving and maintaining all procurement solicitation template documents, in consultation with the Director of Legal Services;
- x) supporting Departments in the management of Contracts, in collaboration with the Department Representative;
- xi) supporting the assessment of Vendor contractual performance, in collaboration with the Department Representative;
- xii) reporting on all procurement spend authorized pursuant to this By-law;
- xiii) maintaining a list of Standing Arrangements and Vendors of Record, and updating as required;
- xiv) managing the disposal of Surplus Inventory; and
- xv) undertaking a review of this By-law every four (4) years within the first two years of each new term of Council, or as directed by Council.

g) Region Departments

Each Department of the Region is responsible for:

- i) facilitating Decentralized Procurements;
- ii) compliance with this By-law and all associated policies, procedures and templates when procuring Goods, Services and/or Construction;
- iii) confirming the availability of funds within Council approved budget(s) to initiate the procurement of Goods, Services and/or Construction;
- iv) preparing and approving all technical specifications and scopes of work included in procurement solicitation documents, in consultation with Supply Chain Management;
- v) identifying, in consultation with Supply Chain Management, procurement opportunities that may include social and environmental considerations;
- vi) ensuring required approvals are obtained, in accordance with this By-law, prior to entering into a Contract;
- vii) managing Contracts, including maintenance of records and ensuring Goods, Services and/or Construction are received

by the Region in conformance with the terms of the Contract, in collaboration with Supply Chain Management;

viii) monitoring and documenting Vendor contractual performance, in consultation with Supply Chain Management; and

ix) completing an annual review and reporting of inventory to identify Surplus Inventory for disposal.

h) Legal Services Division

The Legal Services Division supports procurement activities through the review and consultation for procurement document templates, Contract terms exceeding five years, and advice on procurement related legal matters.

5. INTERPRETATION

5.1 Words imparting a particular gender include all genders, and words imparting the singular number include more persons, parties or things of the same kind than one, and the reverse.

5.2 Whenever the words “include”, “includes” or “including” or other similar terms are used in this By-law, they are deemed to be followed by the words “without limitation”.

5.3 All dollar amounts are in Canadian dollars and exclude Harmonized Sales Tax.

5.4 The headings contained in this By-law are for reference only.

5.5 Any reference in this By-law to any statutes, regulations, trade agreements or by-laws shall be deemed to be a reference to such statutes, regulations, trade agreements or by-laws, as amended, restated or replaced from time to time.

5.6 The following Schedules attached hereto are hereby incorporated into this By-law:

a) Schedule A – Procurement By-law Exemptions;

b) Schedule B – Direct Negotiation Criteria; and

c) Schedule C – Methods of Procurement by Value Threshold.

6. PROCUREMENT EXEMPTIONS

- 6.1 The Region's procurement of Goods, Services and/or Construction listed in Schedule A, Procurement By-law Exemptions is exempt from application of the following Sections:

Section 8 Time Periods

Section 9 Low Value Procurement

Section 10 Procurement Processes

Section 11 Group Procurement

Section 14 Notice of Award and Debriefing

Section 16 Contract Extensions

Section 17 Contract Value Amendments

Section 19 Vendor Code of Conduct

Section 20.1 Procurement Reporting

Section 21 Procurement Considerations

Section 23 Inventory Management

7. PROCUREMENT PLANNING

- 7.1 In accordance with this By-law, authority to proceed with a Centralized Procurement for Goods, Services and/or Construction is subject to the following:

- a) Department verification of availability of funds within a Council approved budget;
- b) approval obtained in accordance with the policies and procedures established by Supply Chain Management; and
- c) preparation and approval of the requirements for a procurement, as developed by the Department.

- 7.2 The Director of Supply Chain Management and the Director of Legal Services approval shall be required to proceed with a procurement of Goods and/or Services where the proposed Contract duration, including all Contract Extensions, is greater than five (5) years. The Treasurer and the Commissioner of Corporate Services approval shall be required to proceed with a procurement of Goods and/or Services where the proposed Contract duration, including all Contract Extensions, is greater than ten (10) years. This Section 7.2 does not apply to the procurement of Construction.

- 7.3 The Treasurer may approve a contingency for procurements related to Construction projects to be included in the cost of a Contract that is awarded where requirements of Section 7.1 are met as defined in the Policy for Contingencies.
- 7.4 The Director of Supply Chain Management shall have the authority, pursuant to this By-law, to reject planned procurements for Goods, Services and/or Construction where the requirements in Sections 7.1, 7.2 and 7.3 have not been met.
- 7.5 Departments must verify availability of funds within a Council approved budget for Decentralized Procurements, low value procurement and exempt purchases listed in Schedule A.

8. TIME PERIODS

- 8.1 Supply Chain Management shall provide a reasonable period of time for Vendors to prepare and submit Bids in response to a procurement solicitation, taking into account factors such as the nature and complexity of the procurement and the extent of subcontracting anticipated.
- 8.2 Section 8.1 does not apply to Direct Negotiation.

9. LOW VALUE PROCUREMENT

- 9.1 In accordance with this By-law, a Department may procure Goods, Services and/or Construction up to a Contract Value of \$15,000 from a Vendor(s) selected by the Department Representative.
- 9.2 The Department Representative must ensure, in consultation with Supply Chain Management as required, the total Contract Value of such Goods, Services and/or Construction does not exceed \$15,000, inclusive of all Contract Extensions.
- 9.3 Pursuant to this Section, all procurement must be within the Department Representative's delegated signing authority.

10. PROCUREMENT PROCESSES

10.1 GENERAL

- 10.1.1 The Region shall utilize a Competitive Process or an Invitational Process for all procurement solicitations unless otherwise authorized in accordance with this By-law.
- 10.1.2 Competitive Processes and Invitational Processes may include:

- a) Request for Quotation;
 - b) Request for Proposal; or
 - c) Request for Tender.
- 10.1.3. The Region may utilize a Request for Information or Request for Expression of Interest to gather information from Vendors in the market.
- 10.1.4. The Director of Supply Chain Management shall approve procurement solicitation procedures, processes and templates to be used for all procurements.
- 10.1.5. All procurement solicitations shall be conducted with procurement document templates approved by the Director of Supply Chain Management, in consultation with the Director of Legal Services.

10.2 PREQUALIFICATION PROCESS

- 10.2.1. The Region may utilize a Prequalification Process to invite interested Vendors to apply to be prequalified, in accordance with this By-law, CFTA and CETA.

10.3 VENDOR OF RECORD LIST

- 10.3.1. In accordance with CFTA and CETA, the Region may utilize a Prequalification Process to establish a Vendor of Record List for the supply of Goods, Services and/or Construction.
- 10.3.2. Where the Region has established a Vendor of Record List, the Region shall consider Vendor applications to be added to the list at least annually unless the pre-qualification list is for a period of three years or less and the validity period is included in the procurement solicitation document.

10.4 STANDING ARRANGEMENT

- 10.4.1. The Region may establish Standing Arrangements for the supply of Goods, Services and/or Construction, utilizing a solicitation process in accordance with this By-law.
- 10.4.2. The Region shall indicate how subsequent purchases will be made from Vendors under a Standing Arrangement in the procurement solicitation. Contract duration must align with requirements in Section 7.2.

10.5 INVITATIONAL PROCESS

- 10.5.1. The Region may utilize an Invitational Process when one (1) of the following conditions is met:
- a) the procurement solicitation is for Goods or Services with a Contract Value of \$100,000 or less;
 - b) the procurement solicitation is for Construction with a Contract Value of \$250,000 or less; or
 - c) the procurement solicitation is for Goods, Services and/or Construction, regardless of Contract Value, where the Vendors to be invited to participate will be taken from an established Vendor of Record List.

10.6 DIRECT NEGOTIATION

- 10.6.1. On the approval of the CAO, the Region may use Direct Negotiation to procure Goods, Services and/or Construction when one (1) or more of the circumstances listed in Schedule B, Direct Negotiation Criteria, is met.
- 10.6.2. Supply Chain Management shall publish a notice of each Contract Award by Direct Negotiation in accordance with Section 14, Notice of Award and Debriefing.
- 10.6.3. Sections 10.6.1 and 10.6.2 do not apply to the procurement of Goods, Services and/or Construction up to a Contract Value of \$15,000.

10.7 EMERGENCY PROCUREMENT

- 10.7.1. In addition to the circumstances listed in Schedule B, Direct Negotiation Criteria, and, where applicable, subject to the approval of the CAO, the Region may use Direct Negotiation to procure Goods, Services and/or Construction in an Emergency.
- 10.7.2. The Department Representative shall inform the Director of Supply Chain Management of the existence of an Emergency as soon as reasonably possible, but not later than five (5) Days after the Emergency is identified.
- 10.7.3. Supply Chain Management shall publish a notice of each Emergency Contract Award in accordance with Section 14, Notice of Award and Debriefing.

- 10.7.4. In a situation of an Emergency pursuant to this By-law, the CAO may approve the purchase if there are insufficient Council approved budget funds. In such instances, the Commissioner shall submit a report to Council for information purposes including the actions taken and the reasons therefor.

11. GROUP PROCUREMENT

- 11.1 The Region may enter into a Contract based on a procurement solicitation issued by a Public Entity where the Public Entity's procurement solicitation documents include a clause that allows the Region to do so. In such event, Supply Chain Management shall publish a notice of Contract Award in accordance with Section 14.2 Publication of Award and Retention of Records.
- 11.2 The Region may enter into a Contract with a Vendor that participated in a procurement solicitation issued by the Region jointly with a Public Entity where all of the following conditions exist:
- a) the Region is named in the procurement solicitation and the procurement solicitation documents include a clause which provides that the Region may enter into a Contract with the successful Vendor;
 - b) Supply Chain Management publishes a notice on its Public Procurement Website to advise Vendors of the Region's participation in the procurement solicitation;
 - c) the procurement solicitation complies with CETA and CFTA.
- 11.3 The Region may enter into a Contract based on a procurement solicitation issued by a Buying Group of which the Region is a member. Except where the Region controls the procurement solicitation by the Buying Group, such procurement solicitations are exempt from application of this By-law, provided that:
- a) the Region shall publish a notice of its participation with each Buying Group at least annually on its Public Procurement Website, which notice shall direct potential Vendors to the Buying Group procurement notices website; and
 - b) Supply Chain Management shall publish a notice of Contract Award in accordance with Section 14.2 Publication of Award and Retention of Records.

12. COUNCIL APPROVAL

- 12.1 Despite any other provision of this By-law, for the following Awards, the Commissioner shall, in consultation with the Treasurer and Commissioner of Corporate Services, submit a report to Council:
- a) with the exception of capital projects, for approval of additional funds where the Contract Value of the Goods, Services and/or Construction exceeds the amount in the Council approved budget for the Department and alternate funds are not available;
 - b) for capital projects, for approval of additional funds where the total Contract Value of the proposed capital project exceeds the amount in the Council approved capital budget by the lesser of 10 per cent of the total budget value or \$250,000;
 - c) where, in the opinion of the Treasurer, additional debenture financing is required;
 - d) where the provisions of this By-law are being waived; and
 - e) where authority to award has not been expressly delegated.

13. FORMS OF COMMITMENT

- 13.1 All procurement Awards for Goods, Services and/or Construction shall be evidenced through a Contract type as determined by the Director of Supply Chain Management, in consultation with, and in a form satisfactory to, the Director of Legal Services, unless the purchase is made by a Purchasing Card, in accordance with the Purchasing Card Policy for purchases up to \$15,000.
- 13.2 Contracts and any ancillary documents requiring execution for a single Department shall be executed by the Department Commissioner if the following conditions are met:
- a) All requirements of this By-law are met;
 - b) The Contract is not related to Information Technology; and
 - c) There are no future financial or other obligations at the end of the Contract term.
- 13.3 All Contracts that require execution relating to the purchase of Information Technology shall be executed by the Commissioner, Digital and Information Services if the following conditions are met:
- a) All requirements of this By-law are met; and

- b) There are no future financial or other obligations at the end of the Contract term.
- 13.4 Contracts and any ancillary documents to which subsections 13.2 and 13.3 do not apply shall be executed by the CAO and Treasurer.
- 13.5 The Director of Supply Chain Management may authorize a commitment by Purchasing Card for specific transactions in excess of \$15,000.

14. NOTICE OF AWARD AND DEBRIEFING

14.1 AWARD OF CONTRACT

- 14.1.1. Contracts shall be awarded to Bidders based on the evaluation of Bids in accordance with disclosed procurement solicitation evaluation criteria.

14.2 PUBLICATION OF AWARD AND RETENTION OF RECORDS

- 14.2.1. Where a procurement solicitation is subject to CETA and/or CFTA, no later than seventy-two (72) Days after the Award of a Contract, Supply Chain Management shall publish a notice on its Public Procurement Website that shall include:
 - a) a description of the Goods, Services and/or Construction procured;
 - b) the name and address of the Region;
 - c) the name and address of the successful Bidder;
 - d) the value of the successful Bid;
 - e) the date of Award; and
 - f) if the Contract was the result of Direct Negotiation, including Emergency procurement, the conditions and circumstances surrounding the use of Direct Negotiation.
- 14.2.2. In accordance with the Region's Corporate Records Management Program, and where the Region Awards a Contract, Supply Chain Management shall maintain:
 - a) procurement solicitation documents and Contract Awards; and
 - b) data that ensures the traceability of the conduct of the procurement solicitation by electronic means.

14.3 DEBRIEFING

- 14.3.1. Where the Contract Value is \$100,000 or greater, Supply Chain Management shall offer separate debriefings to unsuccessful Bidders after awarding the Contract, but only if requested by a Bidder in writing sent to the Region's procurement representative identified in the procurement solicitation documents within sixty (60) Days after the publication of the name of the successful Bidder, as provided by Section 14.2.1, failing which no debriefing will be provided. The debrief session may be held in person, by telephone, or by other electronic means available, at the discretion of Supply Chain Management.

15. VENDOR COMPLAINTS

- 15.1 All Vendor complaints regarding the Region's procurement solicitations shall be provided in writing and directed to the Director of Supply Chain Management.
- 15.2 In the event a Vendor complaint is addressed to any elected official, agent or employee of the Region, such complaint shall be referred to the Director of Supply Chain Management.

16. CONTRACT EXTENSIONS

- 16.1 A Contract Extension may be executed by Supply Chain Management pursuant to the approval of the CAO, when all of the following conditions are met:
- a) the terms and conditions of the Contract provide for Contract Extension;
 - b) approved budget funds are available for the Contract Extension expenditure; and
 - c) commercial negotiation is carried out with the Vendor, where required, to ensure value for money for the Region.

17. CONTRACT VALUE AMENDMENTS

- 17.1 A Contract Value Amendment may be executed by Supply Chain Management, pursuant to the approval of the CAO, when all of the following conditions are met:
- a) the terms and conditions of the Contract allow for the Contract Value Amendment;

- b) the scope of the amendment is aligned with the original scope of the Contract and the change is cost effective or beneficial to the Region;
- c) approved budget funds are available for the Contract Value Amendment; and
- d) commercial negotiation is carried out with the Vendor, where required, to ensure value for money for the Region.

18. VENDOR MANAGEMENT

- 18.1 Department Representatives, in collaboration with Supply Chain Management, will comply with the Region's Vendor Performance Management Policy for applicable contracts. A Vendor's documented performance shall determine a Vendor's eligibility to participate in future procurement solicitations.

19. VENDOR CODE OF CONDUCT

- 19.1 Vendors shall attest compliance with the Vendor Code of Conduct to be eligible for Contract Award. Vendors must abide by the Vendor Code of Conduct throughout the performance of any Contract.
- 19.2 The Region reserves the right, in its sole discretion, to waive any requirements of the Vendor Code of Conduct subject to the approval of the Director of Supply Chain Management.
- 19.3 The Region reserves the right to disqualify Vendors from participating in procurement solicitations for violations of the Vendor Code of Conduct.

20. PROCUREMENT REPORTING

- 20.1 The Commissioner of Corporate Services shall submit a report of all procurements of Goods, Services and/or Construction listing all Awards in excess of \$100,000 for information to Council on a semi-annual basis for information purposes.
- 20.2 Supply Chain Management shall have the authority to access all procurement data to ensure compliance with this By-law.

21. PROCUREMENT CONSIDERATIONS

- 21.1 The Region is committed to promoting equity, diversity, inclusion, moving forward toward Truth and Reconciliation and improving the development and welfare of equity-deserving groups through the procurement of Goods, Services and/or Construction, in accordance with the Region's policies and procedures.

- 21.2 The Region is committed to procuring Goods, Services and/or Construction that cause minimal adverse environmental impacts over their life cycle of use, transportation and recycling or disposal, in accordance with the Region's policies and procedures.
- 21.3 Requirements will be reviewed by the Department Representative and Supply Chain Management to include equity, diversity, inclusion, moving forward toward Truth and Reconciliation and other social and environmental considerations in the procurement solicitation, where appropriate.

22. UNSOLICITED PROPOSALS

- 22.1 The Region is receptive to receiving Unsolicited Proposals from Vendors. Information received from a Vendor regarding an Unsolicited Proposal shall be forwarded to the Director of Supply Chain Management.
- 22.2 The Director of Supply Chain Management shall refer the Unsolicited Proposal to the appropriate Commissioner and to the Commissioner of Corporate Services for review and consideration. Any procurement resulting from the receipt of an Unsolicited Proposal shall comply with this By-law.
- 22.3 The Region's employees or members of Council shall not discuss or communicate with any Vendor regarding the merits of a Vendor's Unsolicited Proposal.

23. INVENTORY MANAGEMENT

- 23.1 Supply Chain Management shall be responsible for the management and procurement of inventory at Central Stores.
- 23.2 Departments shall be responsible for the management of inventory under their authority including the annual identification of Surplus Inventory, in accordance with Section 24, Surplus Inventory and Disposal.
- 23.3 Supply Chain Management will approve inventory procured and managed by Central Stores, in consultation with the Division's Director.

24. SURPLUS INVENTORY AND DISPOSAL

- 24.1 In consultation with Supply Chain Management, Departments are responsible for an annual review of inventory to determine Surplus Inventory status.

- 24.2 Departments shall provide a list of Surplus Inventory to the Director of Supply Chain Management.
- 24.3 The Director of Supply Chain Management shall determine the best method for sale, repurpose, reuse or disposition of Surplus Inventory to obtain the highest value or incur the lowest cost, disposing in an environmentally conscious method, where reasonably possible.
- 24.4 Supply Chain Management shall maintain an annual report on Surplus Inventory disposition, sale and/or disposal.
- 24.5 The Department Commissioner shall have authority to declare inventory as Surplus Inventory.
- 24.6 Surplus Inventory disposal documentation shall be in a form approved by the Director of Legal Services.

25. HALTON REGION CODE OF CONDUCT

- 25.1 All employees of the Region involved in the procurement of Goods, Services and/or Construction shall perform their professional duties or functions in accordance with this By-law and the Halton Region Code of Conduct.
- 25.2 No employee of the Region shall cause or authorize any action to be taken which will undermine the validity of any procurement solicitation and/or Contract for Goods, Services and/or Construction.
- 25.3 Any person who contravenes this By-law is subject to disciplinary action and the Region reserves the right to take such action up to and including termination of employment.

26. BY-LAW PROHIBITIONS

26.1 PROCUREMENT SPLITTING

- 26.1.1. No procurement solicitations, Purchasing Card purchases, or Contracts for Goods, Services and/or Construction shall be divided or split to avoid the requirements of this By-law, CFTA and/or CETA.

26.2 REWARDS

- 26.2.1. Subject to the Halton Region Code of Conduct, every employee of the Region or a member of their extended family is expressly prohibited from accepting, directly or indirectly, any rebate, gift, money, goods or services from a Vendor unless it is a common expression of courtesy.

26.3 SURPLUS INVENTORY

- 26.3.1. An employee of the Region who has the authority to declare inventory as Surplus Inventory shall not, directly or indirectly, bid on or purchase any Surplus Inventory.
- 26.3.2. Employees of the Region, other than those referred to in Section 26.3.1, may bid on and/or purchase Surplus Inventory items that are being sold publicly.

26.4 CONFLICT OF INTEREST

- 26.4.1. Every employee, agent or elected official of the Region who participates in a procurement solicitation shall declare any potential, actual, or perceived Conflict of Interest and, if a Conflict of Interest is declared, shall refrain from participating in the procurement solicitation in any capacity.
- 26.4.2. Employee Conflicts of Interest shall be declared in accordance with the process outlined in the Halton Region Code of Conduct.
- 26.4.3. Elected official or agent Conflicts of Interest shall be declared to the Commissioner of Corporate Services.
- 26.4.4. No member of Council, agent or employee of the Region shall influence any procurement solicitation process or the evaluation of Bids.
- 26.4.5. Vendors shall be required to execute a declaration of all potential, actual or perceived Conflicts of Interest when submitting a Bid in response to a procurement solicitation, and such declaration shall be a condition of Award.
- 26.4.6. The Director of Supply Chain Management, in consultation with the Director of Legal Services, has the right to reject Bids received from Bidders where a Conflict of Interest exists.

26.5 CONFIDENTIALITY

- 26.5.1. Any person involved in a procurement solicitation for Goods, Services and/or Construction shall maintain the confidentiality of information obtained through the procurement process, unless the information is publicly available.
- 26.5.2. Notwithstanding the foregoing, the Region shall comply with the requirements of the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. M. 56.

27. REPEAL OF BY-LAW NO. 74-15, as amended

27.1 By-law No. 74-15, as amended, is hereby repealed and replaced by this By-law effective on the date this By-law comes into force.

28. DATE BY-LAW EFFECTIVE

28.1 This By-law comes into force on the 1st day of February, 2024.

READ and PASSED this 22nd day of November, 2023.

REGIONAL CHAIR

REGIONAL CLERK

Report No. CS-07-23

THE REGIONAL MUNICIPALITY OF HALTON

BY-LAW NO. 63-23

SCHEDULE A: PROCUREMENT EXEMPTIONS

Type	Description
1. General Expenses	a) Debenture payments
	b) Sinking fund payments
	c) Investments and related services
	d) Debenture fiscal agents
	e) Banking services and transaction charges
	f) Purchasing card services
	g) Licenses and permits
	h) Taxi service reimbursement
	i) Damage claims and insurance claims
	j) Insurance premiums and deductibles
	k) Petty cash items and replenishment
	l) Tax remittances
	m) Postage and mail

		<p>n) Payments to government bodies, commissions, authorities and railways required for the Region's regular course of business</p> <p>o) Payments to third party Vendors mandated by government bodies, commissions, authorities or railways for professional services</p> <p>p) Payments to Indigenous communities/organizations/individuals up to a Contract/Agreement Value of \$100,000</p>
2. Utilities		a) Water and sewer, hydro, gas
		b) Charges for utility relocations, new connections and disconnections
3. Real Estate		a) Lease or purchase of land or property
		b) Condominium fees and deposits
		c) Land or property appraisals and associated technical services up to a Contract Value of \$100,000
4. Training, Reference and Education		a) Charges for attending conferences, conventions, courses and seminars
		b) Subscriptions to newspapers, magazines and other periodicals
		c) Professional and other memberships
5. Employee/Councillor Expenses		a) Payroll deduction remittances

	b) Salaries
	c) Meal allowances
	d) Travel and entertainment
	e) Miscellaneous - non-travel
	f) Medical employee-related expenses
6. Assistance to Other Persons	a) Grants
	b) Donations
	c) Loans
	d) Fiscal incentives and guarantees
7. Professional and Legal Services	a) Committee fees
	b) Honorariums
	c) Legal services
	d) Witness and expert fees
8. Health and Social Services	a) Health services and social services, including those that are subject to service agreements
	b) Vouchers for social service recipients
	c) Medical and laboratory services

	d) Funeral and burial assistance
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THE REGIONAL MUNICIPALITY OF HALTON

BY-LAW NO. 63-23

SCHEDULE B: DIRECT NEGOTIATION CRITERIA

On approval of the CAO, the Region may use Direct Negotiation to procure Goods, Services and/or Construction when one (1) or more of the circumstances listed below apply:

- a) if the Goods, Services and/or Construction can be supplied only by a particular Vendor and no reasonable alternative or substitute Goods, Services and/or Construction exist for any of the following reasons:
 - i. the protection of patents, copyrights, or other exclusive rights;
 - ii. due to an absence of competition for technical reasons;
 - iii. to ensure compatibility with existing Goods, or update existing software, or to maintain specialized Goods that must be maintained by the manufacturer of those Goods or its representative;
 - iv. work is to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work;
 - v. work is to be performed on a leased building or related property, or portions thereof, that may be performed only by the lessor; or
 - vi. the requirement is for a work of art;
- b) for additional deliveries by the original Vendor of Goods, Services and/or Construction that were not included in the initial procurement if a change of Vendor for such additional Goods, Services and/or Construction:
 - i. would be demonstrably unreasonable due to economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services, or leveraging information technology system installations procured under the initial procurement; and
 - ii. would cause significant inconvenience or substantial duplication of costs for the Region;
- c) Goods procured on a commodity market;

- d) if strictly necessary, and for reasons of urgency brought about by events unforeseeable by the Region, the goods or services could not be obtained in time using an Invitational or Competitive process.
- e) if the Region procures a prototype or a first Good or Service that is developed in the course of, and for, a particular Contract for research, experiment, study, or original development. Original development of a first Good or Service may include limited production or supply in order to incorporate the results of field testing and to demonstrate that the Good or Service is suitable for production or supply in quantity to acceptable quality standards, but does not include quantity production or supply to establish commercial viability or to recover research and development costs;
- f) for procurements made under exceptionally advantageous conditions that only arise in the very short-term in the case of unusual disposals such as those arising from liquidation, receivership, or bankruptcy, but not for routine procurements from regular Vendors;
- g) if a Contract is Awarded to a winner of a design contest, provided that:
 - i. the contest has been organized in a manner that is consistent with the principles of this By-law; and
 - ii. the participants are judged by an independent jury with a view to a design Contract being Awarded to a winner;
- h) if Goods or consulting Services regarding matters of a confidential or privileged nature are to be procured and the disclosure of those matters through a Competitive Process or an Invitational Process could reasonably be expected to compromise government confidentiality, result in the waiver of privilege, cause economic disruption, cause unacceptable cyber security risks, or otherwise be contrary to the public interest; or
- i) if the result of a Competitive Process or an Invitational Process was one of the following:
 - i. no Bids were submitted;
 - ii. no compliant Bids were submitted;
 - iii. no Bidders satisfied the conditions for participation; or
 - iv. the submitted Bids were collusive;provided that the requirements of the procurement solicitation documents are not substantially modified.

- j) Where it is most cost effective or beneficial to the Region for purchases with a Contract Value up to \$100,000.

THE REGIONAL MUNICIPALITY OF HALTON

BY-LAW NO. 63-23

SCHEDULE C: METHODS OF PROCUREMENT BY VALUE THRESHOLD

Pursuant to this By-law, the following summarizes methods of procurement by threshold value:

Method of Procurement	Process	Value Threshold
Low value procurement	Decentralized Procurement	\$0 - \$15,000
Prequalification Process	Centralized Procurement	All value thresholds
Group Procurement	Centralized Procurement	All value thresholds
Invitational Process	Decentralized Procurement	\$15,001 - \$50,000
	Centralized Procurement	Goods and Services \$50,001 - \$100,000
		Construction \$50,001 - \$250,000
Competitive Process	Centralized Procurement	Goods and Services Over \$100,000
		Construction Over \$250,000
Direct Negotiation	Decentralized Procurement*	\$15,001 - \$50,000
	Centralized Procurement	Over \$50,000
Emergency	Decentralized Procurement	All value thresholds

*Consultation with Supply Chain Management