

Purchasing Policy

Date:	May 21, 2019
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to seek Toronto Public Library (TPL) Board approval for a new Purchasing Policy to replace the current Procurement Processes Policy and incorporate procurement sections from the Financial Control Policy. The policy is reviewed on a periodic basis to ensure that it meets organizational needs and remains consistent with the City’s policies. The Purchasing Policy includes a set of administrative purchasing procedures that are included as an attached schedule. Overall, TPL’s new Purchasing Policy will:

- align with the City’s amended Purchasing By-law and Procurement Processes Policy;
- introduce to TPL the concept of limited solicitation as a form of not fully open and competitive procurement;
- identify the conditions under which a limited solicitation may be undertaken, and establish contract authorities under this scenario;
- incorporate elements of social procurement into the Purchasing Policy as a desirable strategy that drives inclusive economic growth;
- align with the Province of Ontario's Broader Public Sector (BPS) Procurement Directive as a leading practice;
- reflect requirements in the Comprehensive Economic and Trade Agreement between Canada and the European Union (CETA), the Canadian Free Trade Agreement (CFTA) and the Ontario-Quebec Trade and Cooperation Agreement (OQTCA), including minimum value thresholds for competitive public procurements and a minimum number of days to publically post competitive calls;
- address, in part, recommendations from the Charbonneau Commission and Bellamy Inquiry that apply to suppliers doing business with TPL, by providing for a Supplier Code of Conduct in the Purchasing Policy; and
- improve clarity in reading, comprehending, and applying the Purchasing Policy.

Full implementation of this new policy is expected by October 1, 2019.

Changes to the Financial Control Policy, to remove procurement sections, are detailed in a separate report to the Board.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves the proposed new Purchasing Policy, as set out in Attachment 1 of this report;
2. repeals the existing Procurement Processes Policy, as set out in Attachment 2 of this report; and
3. repeals the policy on Exclude Bids from External Parties Involved in the Preparation or Development of a Specific Call/Request, as set out in Attachment 3 to this report, as it is now included in the Supplier Code of Conduct in the Purchasing Policy.

FINANCIAL IMPACT

There are no financial implications from this report.

The Director, Finance and Treasurer has reviewed this financial impact statement and agrees with it.

IMPLEMENTATION POINTS

With the Board's approval of the new Purchasing Policy, purchasing staff, working in conjunction with the City's Legal Services Division, will revise existing procedures and create new supplemental procedures to reflect the changes. Purchasing staff will then conduct the necessary training for Library staff and suppliers to ensure the changes are understood.

Any required supplemental procedures will be written and revised prior to October 1, 2019, by which time the new Purchasing Policy is expected to be fully implemented.

DECISION HISTORY

The [Procurement Processes Policy](#) and [Financial Control Policy](#) were last reviewed by the Board on November 22, 2010, and both reports closely mirrored the City's policies at the time.

The Financial Control Policy included some aspects of procurement that are now being incorporated into the proposed new Purchasing Policy, and the Financial Control Policy is being amended to reflect this under a separate report to the Board.

The policy on Exclude Bids from External Parties Involved in the Preparation or Development of a Specific Call/Request was approved by the Board on September 20, 2004.

ISSUE BACKGROUND

The current Procurement Processes Policy, with the Financial Control Policy, provide the overall framework for proper and effective procurement processes at TPL that meet operational needs while ensuring effective financial controls and accountability. More specifically, the policies outline:

- the authority and duties of the Chief Purchasing Officer and other TPL officials;
- the authority of the TPL Board and City Librarian;
- the process for the calling of bids and awarding of contracts;
- the conditions under which goods and services can be sourced without a competitive process;
- the process for bid disqualification, and
- the process for dispute resolution.

Trade Treaties

The Comprehensive Economic and Trade Agreement between Canada and the European Union (CETA) came into effect in September 2017. The Purchasing Policy includes new government procurement standards based on the current text of CETA as provided by the Government of Canada. The application of CETA to TPL's procurement processes will depend on the value of the procurement being made. In 2019, CETA provisions will apply where:

- the procurement value of goods and services, excluding construction services, exceeds CAD\$365,700; and
- the procurement value of construction services exceeds CAD\$9.1 million.

The value thresholds shown above will change bi-annually due to changes in the exchange rate between the Canadian dollar and the Euro, with the next update scheduled for January 1, 2020.

The Ontario-Quebec Trade and Cooperation Agreement (OQTCA) is a bi-lateral trade agreement that has been in place since 2009. Ontario's Procurement Chapter of OQTCA took effect in September 2016 for all municipalities, including the City of Toronto and TPL, and is primarily based on CETA requirements, with notable exceptions that the procurement value thresholds are lower than CETA.

The Canadian Free Trade Agreement (CFTA) came into effect in July 2017 and OQTCA was subsequently revised to align with CFTA (further references to CFTA in this report may be considered to include OQTCA). Similar to CETA, the application of CFTA to TPL's procurement processes will depend on the value of the procurement being made. As opposed to CETA which establishes a minimum number of days to publically post competitive calls, under CFTA TPL can decide the required timelines for a procurement to be out in the market. In 2019, CFTA provisions will apply where:

- the procurement value of goods and services, excluding construction services, exceeds CAD\$101,100; and
- the procurement value of construction services exceeds CAD\$252,700.

The value thresholds shown above will change bi-annually with the next update scheduled for January 1, 2020.

BPS Procurement Directive

The BPS Procurement Directive, issued by the Province of Ontario's Management Board of Cabinet, outlines the responsibilities of public organizations throughout each stage of the procurement process, and ensures that procurement processes are managed consistently throughout the public sector and in a fair and transparent manner. Although the BPS Procurement Directive does not apply to municipalities and their agencies, the Purchasing Policy is written to align with the BPS Procurement Directive as part of leading practices in government procurement.

The Charbonneau Commission

In November 2015, the Commission of Inquiry on the Awarding and Management of Public Contracts in the Construction Industry (Charbonneau Commission) released its Final Report on corruption and collusion in the Province of Quebec's public procurement practices. Steps are being taken in the Purchasing Policy to address, at a high level, the issues from the Charbonneau Commission and TPL will implement further procedural measures to detect and counter the risk of collusion and corruption in awarding contracts.

COMMENTS

The City of Toronto's amended Purchasing By-law (Toronto Municipal Code, Chapter 195, Purchasing) and Procurement Processes Policy came into effect on January 1, 2017, and was subsequently amended in 2018. TPL's proposed Purchasing Policy is based on the City's Purchasing By-law and Procurement Processes Policy, with adjustments to reflect TPL's organizational and governance structures. Similar to the City, the majority of the changes in TPL's Purchasing Policy respond to federal and provincial legislation and other changes are intended to:

- provide greater transparency to existing purchasing practices and methods;
- better align with the Ontario BPS Procurement Directive and applicable trade agreements;
- address supplier conflicts of interest and ethics when evaluating the qualifications of suppliers to bid; and
- ensure that best value for money is paramount and is documented in purchasing decisions.

The changes for TPL's proposed Purchasing Policy (PP), with reference to the current Procurement Processes Policy (PPP) and Financial Control Policy (FCP) are summarized in the following chart:

#	Current PPP / FCP Provisions (Page / Section)	Revision of Existing Provision OR New Provision	New PP Provisions (Page / Section)	Proposed Amendments	Impacts on Staff / Operations
1	<ul style="list-style-type: none"> Policy Objective (PPP Page 2) Underlying Principles (PPP Page 2) Policy Statement (PPP Page 2) Scope (PPP Page 3) Application (PPP Page 3) 	Revision	<ul style="list-style-type: none"> Purpose (Section 1) Interpretation (Section 2) 	<ul style="list-style-type: none"> Clearly identifies the purpose and general application of the PP Clearly identifies the types of procurements to which the PP does not apply 	<ul style="list-style-type: none"> Improves clarity in reading, comprehending, and applying the PP in staff's daily work
2	<ul style="list-style-type: none"> Purchasing (FCP Section 11, Pages 9-11) 	New	<ul style="list-style-type: none"> Responsibilities of Chief Purchasing Officer (Section 3) Responsibilities of Directors (Section 4) Responsibilities of Division Project Leads (Section 4) 	<ul style="list-style-type: none"> Sets out the Chief Purchasing Officer's and Directors' responsibilities (which may be delegated to Division staff, where appropriate) as they relate to procurement processes 	<ul style="list-style-type: none"> Provides greater detail on roles and responsibilities Aligns the PP with the City's amended Purchasing By-law
3	<ul style="list-style-type: none"> Specific Directives (PPP Section 1.0, Pages 3-4) Purchasing (FCP Section 11, Pages 9-11) 	Revision	<ul style="list-style-type: none"> Standard Procurement Methods (Section 5) 	<ul style="list-style-type: none"> Clearly identifies the procurement methods to be used for: <ul style="list-style-type: none"> Gathering information (RFI, REOI) Selective solicitations to establish a list of pre-qualified suppliers (RFSQ) Competitive solicitations (RFP, RFQ, RFT, RFSQ) Notices of Intended Procurement (NOIP) Co-operative purchasing Purchasing the same goods and services of another public body (piggyback provision) 	<ul style="list-style-type: none"> Provides greater detail on procurement methods Promotes transparent, fair, and open competitive procurement processes
4		New	<ul style="list-style-type: none"> Social Procurement (Section 5.7) 	<ul style="list-style-type: none"> Introduces social procurement as a desirable strategy which advance supply chain diversity and workforce development 	<ul style="list-style-type: none"> Incorporate aspects of the City's Social Procurement Policy to drive inclusive economic growth
5	<ul style="list-style-type: none"> Alternative Procurement Process (PPP Section 3.0, Pages 4-5) 	Revision	<ul style="list-style-type: none"> Non-Competitive or Limited Solicitations (Section 6) 	<ul style="list-style-type: none"> Clearly identifies the conditions under which Non-Competitive Procurements (NCP) may be undertaken, where both the proposed NCP and the 	<ul style="list-style-type: none"> Provides expanded, more detailed list of NCP conditions

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				particular supplier can be justified in good faith, and the contract authority under this scenario	
6	<ul style="list-style-type: none"> Formal / Informal Call / Request for Quotations / Proposals (PPP Section 2.0, Page 4) 	New	<ul style="list-style-type: none"> Non-Competitive or Limited Solicitations (Section 6) 	<ul style="list-style-type: none"> Clearly identifies the conditions under which Limited Solicitations may be undertaken and the contract authority under this scenario 	<ul style="list-style-type: none"> Defines Limited Solicitations as a form of not open competitive procurement (new for TPL)
7	<ul style="list-style-type: none"> Purchasing (FCP Section 11, Pages 9-11) 	Revision	<ul style="list-style-type: none"> Open Competitive Awards (Section 7) 	<ul style="list-style-type: none"> Sets out the City Librarian's, Chief Purchasing Officer's and Board's authority to award following competitive solicitations and the conditions that must be met 	<ul style="list-style-type: none"> Maintains the same delegated authority to award a solicitation as exists in the current policy but rewrites the sections in plain language
8	<ul style="list-style-type: none"> City Librarian – Extended Authority (FCP Section 13.6, Page 14) 	Revision	<ul style="list-style-type: none"> Open Competitive Awards (Section 7) 	<ul style="list-style-type: none"> Sets out the City Librarian's authority to make an award when there is no Board meeting and the conditions that must be met 	<ul style="list-style-type: none"> Maintains and expands the City Librarian's delegated authority to award a solicitation when there is no Board meeting but expands the authority to award a RFP; currently the authority is only to award a RFQ or RFT.
9	<ul style="list-style-type: none"> Purchasing (FCP Section 11, Page 10) 	Revision	<ul style="list-style-type: none"> Cancellation of Solicitations (Section 8) 	<ul style="list-style-type: none"> Sets out the Chief Purchasing Officer's authority to cancel a solicitation and the conditions that must be met 	<ul style="list-style-type: none"> Establishes cancellation authority
10	<ul style="list-style-type: none"> Vendor Complaints (PPP Section 11.0, Page 8) 	New	<ul style="list-style-type: none"> Bid Disputes (Section 9) 	<ul style="list-style-type: none"> Clearly identifies the process for pre-award and post-award bid disputes 	<ul style="list-style-type: none"> Ensures fair, open and transparent competitive procurement processes
11	<ul style="list-style-type: none"> Underlying Principles (PPP Page 2) 	Revision	<ul style="list-style-type: none"> Contract Execution (Section 10) 	<ul style="list-style-type: none"> Clearly identifies the process for contract execution 	<ul style="list-style-type: none"> Ensures effective contract management
12	<ul style="list-style-type: none"> Sale or Disposal of Surplus Materials or Equipment (FCP Section 23, Page 18) 	Revision	<ul style="list-style-type: none"> Surplus Goods (Section 11) 	<ul style="list-style-type: none"> Clearly identifies the process for the sale or disposal of surplus assets 	<ul style="list-style-type: none"> Ensures effective asset management

#	Current PPP / FCP Provisions (Page / Section)	Revision of Existing Provision OR New Provision	New PP Provisions (Page / Section)	Proposed Amendments	Impacts on Staff / Operations
13	<ul style="list-style-type: none"> • Purchasing (FCP Section 11, Pages 9-11) 	New	<ul style="list-style-type: none"> • Supplier Code of Conduct (Section 12) 	<ul style="list-style-type: none"> • Includes the following provisions that set out the expectations that TPL has for suppliers with respect to the procurement process: <ul style="list-style-type: none"> ○ Honesty and good faith ○ Confidentiality and disclosure ○ Conflicts of interest or unfair advantage ○ Collusion or unethical bidding practices ○ Illegality ○ Interference prohibited ○ Gifts or favours prohibited ○ Misrepresentations prohibited ○ Prohibited communication during the solicitation (blackout period) ○ Failure to honour bid ○ Supplier performance ○ Disqualification of suppliers for non-compliance ○ Suppliers in debt or litigation with TPL ○ Suspension of suppliers from future solicitations 	<ul style="list-style-type: none"> • Promotes better supplier performance
14	<ul style="list-style-type: none"> • Underlying Principles (PPP Page 2) • In-House Bids (PPP Section 14.0, Page 9) • Policy Objective (PPP Page 2) 	New	<ul style="list-style-type: none"> • General (Section 13) 	<ul style="list-style-type: none"> • Employee ethical procurement standards • In-house bids restricted • No informal authority to contract • No split contracts • No contracts without funding approval • Conflict with policies and procedures 	<ul style="list-style-type: none"> • Maintains public confidence in staff's integrity, objectivity and impartiality • Ensures procurements are free from conflicts of interest or unfair advantage • Establishes precedence of PP over other procurement policies in the event of a conflict or inconsistency

Impact of Trade Treaties on Purchasing

Application and Exemptions

CETA and CFTA apply to the procurement of all goods and services by the City and TPL, except:

- the acquisition or rental of land, existing buildings or other immovable property or the rights thereon;
- non-contractual agreements or forms of assistance including cooperative agreements, grants, loans, equity infusions, guarantees and fiscal incentives; and
- public employment contracts.

The revisions to the Purchasing Policy reflect these exemptions noted in CETA and CFTA.

Open Competitive Solicitation Thresholds

As indicated above, CETA will apply to CETA Covered Procurements (above \$365,700 for goods and services and \$9.1 million for construction services). Any contract that is covered by CETA must be done via an open competitive solicitation process unless an exception applies, such as the use of the non-competitive exceptions.

CFTA's thresholds start at \$100,000, which means that contracts valued over \$100,000 must be done via an open competitive solicitation unless an exception applies. In the proposed Purchasing Policy, TPL would align itself with the lower CFTA threshold and require that all contracts valued over \$100,000 be done via an open competitive solicitation, unless an exception applies. For procurements below \$100,000 and above the solicitation threshold, TPL would be able to conduct a limited solicitation to get bids or proposals from at least three suppliers who are invited to participate.

Non-Discrimination Rules and Canadian Content

CETA and CFTA require that all covered procurements over their respective thresholds comply with their respective non-discrimination provisions.

Under CETA, TPL shall treat EU suppliers no less favourably than the treatment of Canadian suppliers and further, TPL shall not treat locally established suppliers less favourably than another locally established supplier on the basis of the degree of foreign affiliation, or shall not discriminate against a locally established supplier on the basis that the goods or services offered by that supplier are goods from the EU.

Further, CETA and CFTA require that TPL limit any conditions for participation in a procurement to those that are essential to ensure that a supplier has the legal and financial capacities and the commercial and technical abilities to undertake the relevant procurement. With respect to technical requirements, TPL cannot create unnecessary obstacles to international trade or requirements which are discriminatory.

Revisions in the Purchasing Policy include making it a responsibility of Directors and Project Leads to ensure that specifications are non-discriminatory to any supplier or provide a preference to any supplier. In the Purchasing Policy, a specific provision has been added that requires that TPL not discriminate or exercise preferential treatment in the awarding a contract to a supplier as a result of a competitive solicitation, unless it can be justified on the basis of a legitimate business objective, public policy or applicable law.

Timelines

If applicable, CETA will require TPL to post a notice of intended procurements setting out a summary of the details of each. Posting the notice of intended procurement is essential, as CETA will require that the procurement closing date be 40 calendar days from the posting of the notice. This is intended to allow EU suppliers an opportunity to bid.

TPL may reduce the 40-day time-period, in accordance with the provisions of CETA. For example, in the following circumstances, the timeline may be reduced by five days each (reducing it to 25 days):

- the notice of intended procurement is published by electronic means;
- all the tender documentation is made available by electronic means from the date of publication of the notice of intended procurement; and
- TPL accepts tenders by electronic means.

CFTA requires that the procuring entity take into consideration the complexity of the procurement but otherwise allows the procuring entity to determine a reasonable length of time that a call will be on the street.

The proposed Purchasing Policy will require a notice of intended procurement for every procurement over \$100,000 in value and the Purchasing Policy will require that all procurement calls are out in the market for at least the minimum time mandated by the trade agreements. However, the Chief Purchasing Officer will be responsible for implementing procedures governing specific timelines for notices of intended procurement.

Negotiation

CETA and CFTA allow for negotiations as part of the procurement, if it was identified in the notice of intended procurement. The Purchasing Policy has been revised to include the potential for negotiation in an RFP process prior to the award, including the use of best and final offers (BAFOs), concurrent negotiations and non-binding RFPs, so long as it is clear in the notice of intended procurement that negotiations will be part of the process.

The Purchasing Policy also sets out that in the case of Tenders, negotiations are generally not permitted, unless TPL is unable to recommend an award within the funding approval of the Board. In those circumstances where the solicitation may otherwise be cancelled, the Director, in consultation with the Chief Purchasing Officer and the City Solicitor, may alternatively negotiate with the lowest compliant bidder (only) to identify any acceptable changes in the scope or quality of work, and their corresponding bid price reduction, up to 15% of the contract value. This is consistent with the Construction Industry's Canadian Construction Documents Committee (CCDC) guidelines. The result of any negotiations will need to be documented in a report, prior to award, and where negotiations are not in compliance with the disclosed guidelines set out in the solicitation, the award would need to be awarded by the Board.

Non-Competitive Procurement

CETA and CFTA allows for situations in which non-competitive procurement is acceptable, so long as using a non-competitive process was done in good faith and not designed to simply avoid the requirements of doing an open competitive procurement process. Many of the rationales for allowing the use of non-competitive procurements that TPL relies on today are also contained within CETA and CFTA, such as monopoly, existence of proprietary rights, competition failing to identify a qualified supplier, and emergencies. However, there are additional rationales set out in CETA and CFTA that TPL currently does not cover and which are included in the proposed Purchasing Policy, including the ability to purchase goods when there is a uniquely advantageous point to do so, such as a bankruptcy or liquidation; the procuring of a prototype; and the awarding of a contract to the winner of a design competition.

The rationales for a non-competitive procurement process are in the Purchasing Policy and include new items as reflected in trade agreements.

Pre-Award and Post-Award Disputes

CETA requires that the Federal Government ensure there is a timely, effective, transparent and non-discriminatory administrative or judicial review procedure such that a bidder/supplier may challenge breaches of the Government Procurement Chapter. For specific bid disputes, TPL is required to provide an impartial and timely consideration to any bid complaint in a manner that is not prejudicial to the supplier's participation in ongoing or future procurement or its right to seek corrective measures under the administrative or judicial review procedure. CFTA has similar requirements. Suppliers will still be able to use the courts to challenge award decisions.

The Purchasing Policy has been revised to include two sections related to disputes (Pre-Award Disputes and Post-Award Disputes).

Any Pre-Award Dispute requires that suppliers must communicate in writing with the Chief Purchasing Officer as soon as possible from the time when the basis for the dispute became known to the supplier and, in cases where a supplier has been declared non-

compliant, no later than five business days after the receipt of such notification. The Chief Purchasing Officer may delay an award to investigate and to resolve a dispute. The Chief Purchasing Officer, in consultation with the City Solicitor, will review the dispute and may dismiss it, take appropriate action such as reversing the decision to declare the supplier non-compliant, or decide to have the award made by the Board based on the material risk associated with the dispute.

This Pre-Award Dispute process is similar to the existing process with two major differences. First, timelines are introduced on the supplier so that they can act quickly to get resolution to their concern before the award process is complete. Second, the concept of a material written objection has been removed and replaced with the concept of material risk. In the existing system, a supplier has more control to push the award decisions based on a material written objection being sent in. Now, TPL staff have more responsibility to review the issue and determine whether there are material risks that should require the Board to review the matter and decide accordingly.

Any Post-Award Dispute requires that suppliers must communicate in writing with the Chief Purchasing Officer no later than ten business days after the date of award notification. Where a debriefing has been requested by a supplier within that ten-day period, the dispute to an award decision must be received in writing by the Chief Purchasing Officer no later than five business days after such debriefing occurs. Any dispute that is not received in the timeframe set out above or in writing will not receive further consideration. If resolution cannot be obtained from the Chief Purchasing Officer, the supplier can submit the dispute to the Treasurer for any dispute to an award that is over \$100,000 in value. The section requires that the supplier must set out specific detail to the Treasurer, including the facts supporting the dispute and the proposed remedial action. The Treasurer will review the material, in consultation with the City Solicitor, or may set up an independent review team to review the dispute. The Treasurer may decide to dismiss the dispute, or direct the Chief Purchasing Officer to take appropriate remedial action, including rescinding the award and any executed contracts and cancelling the procurement. This may also require a report to the Board on how best to resolve the dispute, depending on the material risk of the situation.

The Bid Dispute process is consistent with the recommendation from the Bellamy Inquiry that TPL adopt a formal two-stage process to manage bidder complaints, to replace the current approach.

Single Point for Electronic Posting of Government Procurement

CETA requires the Federal Government to develop a single point of electronic access to all government procurements. CETA allows for a five-year transition time before this requirement comes into force. The Federal Government is working on acquiring an I&T solution that will allow all Provincial, Municipal and other government agencies, to post or link their respective notices of intended procurement in one location. TPL will continue to monitor the progress of the Federal Government to determine the impact on the TPL's procurement activities.

The Purchasing Policy has been revised to allow TPL to post procurement information online (e.g., policies, notice of intended procurements, notice of planned procurements, procurement opportunities and award notifications) and to be able to receive submissions electronically in order to be in line with the requirements of CETA and CFTA.

Reinforcing Ethics in the Procurement Process – TPL Responsibilities and Supplier Code of Conduct

A major revision to the Purchasing Policy is the introduction of a Supplier Code of Conduct. The Supplier Code of Conduct consists of a number of different provisions that were already in use in TPL procurement documents, however, it was felt that given the importance of the conduct of Suppliers in the procurement process, especially in light of the Charbonneau Commission and in line with the Bellamy Inquiry, the recommendation is that those provisions be part of the Purchasing Policy, requiring that suppliers declare that they are in compliance with the Supplier Code of Conduct. Failure to comply with the Supplier Code of Conduct will be grounds for the Chief Purchasing Officer to disqualify a Supplier from a particular procurement process, and may be grounds for suspension by the Board. Further, a contravention of the Supplier Code of Conduct may also be grounds to terminate a contract awarded to that supplier.

Highlights from the Supplier Code of Conduct include:

- Conflict of Interest – Suppliers must declare and disclose any actual or perceived conflict of interest in the preparation of the submission or during the execution of the contract. Conflicts of interest or unfair advantage, include the hiring of former TPL employees (management and non-management) that were involved in the procurement. This provision will effectively replace the Policy on "Exclude Bids from External Parties Involved in the Preparation or Development of a Specific Call/Request" and is the basis for recommending the repeal of this policy to the Board;
- Collusion or unethical bidding practices – Suppliers cannot collude with other suppliers and must disclose any affiliations with other suppliers that might be seen to compromise the principle of fair competition, including any proposed subcontracting relationships;
- Illegality – Suppliers must disclose any previous convictions of the bidder/supplier or its affiliated persons for collusion, bid-rigging, price-fixing, bribery, fraud, etc. A supplier shall be automatically deemed ineligible for an award for a minimum period of five years from the date of the conviction, unless pre-approved by the Treasurer. In addition, the Purchasing Policy sets out that the Treasurer will take into consideration pardons before declaring any bidders ineligible, that in certain public interest exceptions, the Treasurer may approve the use of an ineligible bidder, that any bidder is prohibited from using an ineligible bidder as a subcontractor, and that TPL may terminate any contract with anyone found to be convicted of the above noted crimes;

- Interference prohibited – Suppliers are prohibited from threatening or harassing TPL staff, Board members or other suppliers or potential suppliers doing business with TPL;
- Gifts or favours prohibited – Suppliers are prohibited from offering gifts or favours to TPL employees or Board members to influence the procurement process;
- Acknowledgement and compliance with the Supplier Code of Conduct will be incorporated into all TPL contracts with suppliers, and may be a factor in contract termination, where recommended by the Chief Purchasing Officer and the City Solicitor;
- Suspension of suppliers from future solicitations –
 - Clearly identifies that the Board can suspend any supplier from having the opportunity to make future submissions to solicitations or otherwise provide goods or services to TPL due to persistent and documented poor performance or default on previous contracts or for such other violations of the Supplier Code of Conduct or on other integrity grounds as may be prescribed in TPL's policies and procedures. The Board will be able to suspend for a period of one to five years depending on the circumstances of the violation.
 - Further, setting out delegated authority to the Chief Purchasing Officer, in consultation with the City Solicitor, to temporarily suspend a supplier's eligibility to bid for up to six months due to a contravention of the Supplier Code of Conduct and requiring the Chief Purchasing Officer to report to the Board annually on the use of such delegation.

For TPL staff, a section referencing the Employee Code of Ethics is made in the Purchasing Policy to emphasize the importance of ethical behaviour and to avoid conflict of interest in the procurement process.

BPS Procurement Directive and Clearer Language

The revisions to the Purchasing Policy also reflect the recommendation to bring TPL's Purchasing Policy in alignment with the BPS Procurement Directive as a leading practice in government procurement.

Additions to the Purchasing Policy to reflect the Directive include:

- A table setting out the segregation of duties between the Purchasing department, procuring staff, the City Solicitor and others in the procurement process;
- A table summarizing the authority to award competitive procurements and the authority to enter into non-competitive procurements as set out in the Purchasing Policy;
- Setting out standard requirements for the evaluation of a procurement, including provisions for evaluation criteria, instructions regarding resolving math errors and tied bids, major and minor bid irregularities and overseeing evaluation teams;
- Making public openings optional and allowing for electronic openings;
- Adding a timeline for when a supplier can request a debriefing; and
- Setting out standard requirements for the contract that is awarded from the procurement, such as ensuring that:

- Contracts above \$100,000 must be in the form of contract satisfactory to the City Solicitor;
- The term of the contract, including option years, is set out in the procurement document, including specifying who has the authority to exercise any option years;
- The contract must have an appropriate termination clause; and
- The responsibility for contract management lies with the Directors and includes contractor performance evaluation, documenting any changes to the contract and ensuring proper payment approval.

Sections of the Purchasing Policy outlining the authority to make an award were rewritten. In the revised Purchasing Policy, the authority to award is clearly outlined such that each section can be read on its own. The City Librarian will continue to have the authority to delegate award authority to Directors.

Social Procurement

The Purchasing Policy is being revised such that the Chief Purchasing Officer, in consultation with the City staff, will seek opportunities which advance supply chain diversity and workforce development initiatives within the purchasing policy to drive inclusive economic growth.

City Librarian – Extended Authority

The City Librarian will continue to have the authority to make an award when there is no Board meeting, though this authority has been expanded to include RFPs as well as RFQs and RFTs, consistent with the Board’s delegation to the City Librarian. Under the current Financial Control Policy, the City Librarian’s extended authority is limited to RFQ and RFTs.

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SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Attachment 1 – Purchasing Policy

Attachment 2 – Procurement Processes Policy – repeal

Attachment 3 – Exclude Bids from External Parties Involved in the Preparation or
Development of a Specific Call/Request Policy – repeal

POLICY: PURCHASING

SECTION: Section II – General – Finance & Property

MOTION#/DATE: TBC – May 21, 2019

Effective Date: October 1, 2019

1. Purpose

1.1 The purpose of this policy is to:

- a) Protect the interests of the Library, the public and any persons participating in the procurement process by providing a clear statement of how goods and services will be acquired;
- b) Maintain the integrity of the procurement process by ensuring that, whenever possible, competitive methods of procurement will be used to obtain the best value for the Library;
- c) Clearly define circumstances in which non-competitive procurements may be awarded;
- d) Ensure that procurement is conducted in a manner that enables the Library to operate efficiently and effectively;
- e) Clearly define the roles and responsibilities of those persons involved in the procurement process;
- f) Outline the process for co-operative purchasing and disposing of surplus goods; and
- g) Establish a Supplier Code of Conduct and Library employee ethical procurement standards.
- h) Introduce social procurement as a desirable strategy for procurement activity which drives inclusive economic growth.

2. Interpretation

2.1 Definitions

As used in this policy, the following terms shall have the meanings indicated:

ACQUISITION MANAGER – the person holding the position of Manager, Acquisition and Cataloguing, for library materials with the Library or a similar successor position, and includes his or her designate;

AFFILIATED PERSON – Everyone related to the supplier including, but not limited to, employees, agents, representatives, organizations, bodies corporate, societies, companies, firms, partnerships, associations of persons, parent companies, and subsidiaries, whether partly or wholly-owned, as well as individuals, and directors, if:

- A. Directly or indirectly either one controls or has the power to control the other; or
- B. A third party has the power to control both.

AWARD – The formal acceptance of a bid that results in a contract.

BEST VALUE – The optimal balance of performance and cost determined in accordance with pre-determined evaluation criteria disclosed in a solicitation for the purpose of making an award. For competitive procurements, best value is represented by the highest ranked bid which may include, for request for tenders and request for quotations, the lowest cost bid meeting technical specifications and supplier qualifications.

BID – A submission in response to a solicitation, and includes a tender, a quotation or a proposal.

BOARD or LIBRARY BOARD – The Toronto Public Library Board.

BUYING GROUP – 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.

CITY – The City of Toronto.

CITY COUNCIL – The Council of the City of Toronto.

CITY LIBRARIAN – The person designated to undertake the responsibilities of the chief executive officer of the Library.

CITY SOLICITOR – The person with full charge and control for the conduct of the Legal Services Division of the City.

CHIEF PURCHASING OFFICER – The person designated to undertake the responsibilities of the chief purchasing officer of the Library.

COMPETITIVE PROCUREMENT – A solicitation where suppliers are given an equal opportunity to bid, whether by invitation or by advertisement to the public, and which may include a process for conducting negotiations with one or more suppliers.

CONFLICT OF INTEREST or UNFAIR ADVANTAGE –

A. In relation to a procurement process, a supplier that has, or is seen to have, an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage including, but not limited to:

- (1) Having, or having access to, confidential information of the Library in the preparation of its bid that is not available to other suppliers; or
- (2) Communicating with any person with a view to influencing preferred treatment in the procurement process including, but not limited to, the lobbying of decision makers involved in the procurement process; or
- (3) Engaging in conduct that compromises, or could be seen to compromise, the integrity of the procurement process; or

B. In relation to the performance of the contract that is the subject of a procurement, that the supplier's other commitments, relationships or financial interests:

- (1) Could, or could be seen to, exercise an improper influence over the objective, unbiased and impartial exercise of its independent judgement; or
- (2) Could, or could be seen to, compromise, impair or be incompatible with the effective performance of its contractual obligations.

CONSTRUCTION SERVICE – A service that has as its objective the realization of civil or building works.

CONTRACT – An agreement between the Library and a supplier for the procurement of goods and services.

CO-OPERATIVE PURCHASING – A competitive procurement process that is conducted by one public body or buying group on behalf of one or more public bodies in order to obtain the benefits of volume purchases and administrative efficiency.

DIRECTOR – The person with full charge and control for the conduct of their respective division of the Library.

DIVERSE SUPPLIER – Any business or enterprise that is certified by a Supplier Certification Organization to be:

- A. More than 50% (majority) owned, managed and controlled by persons belonging to an equity-seeking community, or;
- B. A social purpose enterprise whose primary purpose is to create social, environmental or cultural value and impact, and where more than 50% of the persons who are full-time equivalent employees or are participating in, or have completed, transitional employment training, experience economic disadvantage.

DIVISION – A division of the Library.

DIVISION HEAD – The City Librarian.

DIVISIONAL PURCHASE LIMIT – The maximum amount that a Director or their designate may expend to procure goods and services directly rather than through the Chief Purchasing Officer.

ELECTRONIC TENDERING SYSTEM – A computer-based system that provides suppliers with access to information related to open competitive procurements.

EMERGENCY – Any situation of extreme urgency brought about by unforeseeable events that makes the procurement of goods and services necessary to address an immediate risk to health, safety, security, property, the environment or other public interests of the Library.

EQUITY-SEEKING COMMUNITY – A group that experiences discrimination or barriers to equal opportunity, including women, Aboriginal People, persons with disabilities, newcomers/new immigrants, LGBTQ+ people, visible minorities/racialized people, and other groups the Library identifies as historically underrepresented.

EVALUATION CRITERIA – The rated criteria set out in a notice of intended procurement or solicitation which may include, but is not limited to, supplier qualifications, price and other cost or value factors, quality, technical merit, environmental characteristics, and negotiable commercial terms such as terms of delivery.

FORM OF CONTRACT – A formal written document or documents, including a purchase order, that outlines all the terms and conditions of a contract.

FUNDING APPROVAL –

A. In relation to a capital project as defined in the Financial Control Policy: Inclusion of the capital project in a capital budget approved by the Board and where the Library Treasurer provides written confirmation that he or she is satisfied that:

- (1) The entire capital expenditure for the capital project is identified in the budget at an appropriate capital project or subproject level; and
- (2) The capital project's cash flow funding is available in an appropriate account.

B. In relation to other than a capital project:

- (1) Funding approval of the relevant operating program by the Board's adoption of interim or final operating budgets and where the Library Treasurer provides written confirmation that he or she is satisfied that the funding of the contract, or the first year of a multi-year contract, is available in an appropriate account; or
- (2) In a situation where the Board has not yet adopted an interim or final operating

budget:

(a) The written confirmation of a Director that the contract is in respect of necessary current and ongoing division operations and that the subject matter of the contract was contained in a program that had funding approval in the prior year; and

(b) The written confirmation of the Library Treasurer that the funding of the contract can be undertaken to his or her satisfaction.

GOODS – Moveable property (including the costs of installing, operating, maintaining or manufacturing such moveable property) and includes raw materials, products, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form, unless they are procured as part of a general construction contract.

INELIGIBLE SUPPLIER – A supplier that has been convicted of charges as described in Section 12.5.

LIBRARY – The Toronto Public Library.

LIBRARY MATERIALS – Books, videos, periodicals, subscriptions, serials, electronic information products and any other media, purchased by the Library for use by the public;

LIBRARY TREASURER – A person appointed to the management position of Director, Finance and Treasurer in the Library's administrative organization.

LIMITED SOLICITATION – A competitive or non-competitive solicitation method where one or more suppliers of the Library's choice are invited and given an equal opportunity to bid to the solicitation.

MAJOR IRREGULARITY – A deviation from the requirements in a solicitation which:

- A. Affects the substance, as opposed to the form, of a bid response in terms of the price, quality, quantity or delivery and is material to the award; or
- B. Could provide a supplier who has submitted a bid with an unfair advantage over competitors; and
- C. May include, but is not limited to, a late submission, unclear or materially unbalanced pricing information, inadequate amount or terms of bid security, and any other matter identified as materially warranting rejection in the solicitation issued by the Library.

MINOR IRREGULARITY – A deviation from the requirements in a solicitation which:

- A. Affects the form, as opposed to the substance, of a bid response in terms of the price, quality, quantity or delivery and is not material to the award; and

B. Could not provide a supplier who has submitted a bid with an unfair advantage over competitors; and

C. Any other matter identified as being subject to clarification or rectification in the solicitation issued by the Library.

NON-COMPETITIVE PROCUREMENT – A procurement negotiated directly from one or more suppliers, but does not include negotiations provided for under the terms of a competitive solicitation.

NOTICE OF INTENDED PROCUREMENT – A written notice published by the Library, inviting interested suppliers to submit a bid in response to a solicitation.

OPEN COMPETITIVE PROCUREMENT – A competitive solicitation method, where a notice of intended procurement is advertised to the public, giving all suppliers an equal opportunity to bid to the solicitation and prove their qualifications.

PRE-QUALIFIED SUPPLIER – A supplier who has submitted a response to an advertised request for pre-qualifications and has been determined to have met the minimum disclosed standards for technical qualifications and professional competence, and has the necessary equipment, facilities and experience for specific future solicitations.

PROCUREMENT – The acquisition of goods and/or services by any contractual means, including purchase, rental, lease or conditional sale.

PURCHASING POLICIES – The written policies approved by the Board that are intended to supplement this policy.

PROCUREMENT PROCESS – The process that begins after the Library has decided on its requirement and continues through to and including contract award and execution.

PROJECT LEAD – The employee in a division that has been assigned the responsibility by the Director for the procurement of goods and/or services and the management of the resulting contract with a supplier.

PUBLIC BODY – Any government or government agency, municipality or local board, commission or non-profit corporation carrying out a public function.

PURCHASE ORDER – A document issued to a supplier under the authority of the Chief Purchasing Officer that sets out the terms and conditions applicable to the supply of goods and services by a supplier, including reference to any other contract documents and the contract value.

PURCHASING PROCEDURES – The written procedures supporting the application of this policy and the procurement policies, as approved by the Chief Purchasing Officer in accordance with this policy.

REQUEST FOR EXPRESSIONS OF INTEREST (REOI) – A solicitation method used to gather information on future supplier interest in an opportunity or information on supplier capabilities/qualifications, for the purpose of better planning the supplier qualification requirements of a future solicitation that may result in an award.

REQUEST FOR INFORMATION (RFI) – A solicitation issued to potential future suppliers to gather general supplier, service or product information. It is a purchasing procedure where suppliers are provided with a general or preliminary description of a problem or need and are requested to provide information or advice about how to better define the problem or need, or alternative solutions and costs, for the purpose of better planning the technical specification requirements of a future solicitation that may result in an award.

REQUEST FOR PROPOSALS (RFP) – A solicitation issued to obtain bids or proposals where a procurement need is identified, but how it will be achieved is unknown at the outset, which allows suppliers to propose solutions or delivery methods to arrive at the desired result. The evaluation criteria to determine best value may include more than price factors and the solicitation may allow for consecutive or concurrent negotiations to be conducted with suppliers on any of the contract terms including, but not limited to, the technical specifications, commercial terms and/or prices following the process outlined in the solicitation.

REQUEST FOR QUOTATIONS (RFQ) – A solicitation issued to obtain competitive bids for standard goods and/or services where the Library has pre-determined the required quantity and/or quality of the goods or services and the evaluation criteria to determine the best value is generally the lowest cost bid meeting technical specifications without any material contract negotiations.

REQUEST FOR SUPPLIER PREQUALIFICATION (RFSQ) – A solicitation that is issued to gather submission information on supplier capabilities and qualifications with the intention of creating a list of pre-qualified suppliers for future selective solicitations, including:

- A. A one-time future solicitation; or
- B. A roster for multiple future solicitations of a predefined scope and duration.

REQUEST FOR TENDERS (RFT) – A solicitation that is generally issued in order to obtain irrevocable competitive bids for standard construction services where the Library

has pre-determined the required scope of work including quantity and/or quality requirements, and the evaluation criteria to determine the best value is generally the lowest cost bid meeting technical specifications without any material contract negotiations.

ROSTER – A list of suppliers that the Library has determined satisfy the conditions for participation in that list, and that the Library intends to use more than once for selective solicitations.

SELECTIVE SOLICITATION – An open competitive solicitation method where suppliers are first pre-qualified through a request for supplier prequalification and then only pre-qualified suppliers are invited to bid.

SERVICES – All services, including construction services, unless otherwise specified.

SOLICITATION – A written notice to suppliers, whether or not it is publically advertised or intended to result in a contract, and includes a:

- A. Request for expressions of interest (REOI);
- B. Request for information (RFI);
- C. Request for supplier prequalification (RFSQ);
- D. Request for proposals (RFP);
- E. Request for quotations (RFQ); and
- F. Request for tenders (RFT).

SOLICITATION THRESHOLD – The maximum amount that a Director or their designate may expend to procure goods or services for good value without soliciting multiple bids.

SUPPLIER – A person or group of persons that provides or could provide goods or services.

SUPPLIER CERTIFICATION ORGANIZATION – A non-profit organization recognized by the Library that certifies businesses and enterprises as diverse suppliers by assessing them using established, consistent criteria.

SUPPLIER DEBRIEFING – A practice of informing a supplier why their bid was not selected upon completion of the contract award process.

SUSPENDED SUPPLIER – A supplier that has been suspended for any duration from bidding on future solicitations under Section 12.13.

TECHNICAL SPECIFICATION – A solicitation requirement that:

- A. Lays down the characteristics of a good or a service to be procured, including quality, performance, safety and dimensions, or the processes and methods for their production or provision; or
- B. Addresses terminology, symbols, packaging, marking or labelling requirements, as they apply to a good or a service.

VALUE or PROCUREMENT VALUE – The estimated maximum total value of the procurement over its entire duration, taking into account all forms of remuneration, including:

- A. Premiums, fees, commissions and interest; and
- B. Where the solicitation provides for the possibility of options, the total value of such options.

WORKFORCE DEVELOPMENT – Workforce development comprises a wide range of activities, policies and programs that seek to better serve – and better connect – job seekers and employers. As a result of doing this, workforce development creates and maintains the kind of skilled workforce that is needed to meet the current and future needs of business and industry. Workforce development integrates human service support, industry-driven education and training, and career advancement strategies, facilitated by the collaboration between employers, training and education institutions, government and communities.

2.2 Monetary references

All references in this policy to dollar amounts are to Canadian dollars and shall be exclusive of taxes unless otherwise provided.

2.3 Application – general

All goods and services required by the Library shall be acquired and disposed of in accordance with the provisions of this policy, any purchasing policies approved by the Board and any purchasing procedures established by the Chief Purchasing Officer.

2.4 Application – library materials

- a) Notwithstanding Sections 2.3 and 3.1, the Director responsible for the acquisition of library materials and the Acquisition Manager, in consultation with the Chief Purchasing Officer, shall be responsible for the procurement of all library materials required by the Library and shall determine the appropriate method by which library materials shall be obtained for the Library to best meet the Library's needs.

- b) The Director responsible for the acquisition of library materials and the Acquisition Manager, in consultation with the Chief Purchasing Officer, shall also be responsible for undertaking regular evaluations of suppliers of library materials to ensure that the Library is obtaining competitive pricing for library materials.

2.5 Exemptions

This policy does not apply to:

- a) The acquisition or rental of land, existing buildings or other immovable property or other related real estate rights;
- b) Library employment contracts;
- c) Any form of assistance that the Library provides, including co-operative agreements, grants, loans, guarantees and fiscal incentives;
- d) Procurement between the Library and another public body;
- e) Procurement by the Library on behalf of another person where the procurement would not be covered by this policy if it were conducted by the other person itself;
- f) The Library's contracts relating to securities or other financial instruments; or
- g) Those other items listed in Schedule A of the Financial Control Policy.

3. Responsibilities of Chief Purchasing Officer

3.1 General duties and responsibilities

The Chief Purchasing Officer shall have the authority and responsibility, subject to Board policies, for the following:

- a) Approving and prescribing purchasing procedures not specifically provided for in this policy or the purchasing procedures, in consultation with the City Librarian and the City Solicitor;
- b) Coordinating solicitations on behalf of the Library, except for:
 - i. Procurements with a value not exceeding the divisional purchase limit, undertaken by divisions in compliance with this policy, the purchasing procedures and the Financial Control Policy;
 - ii. Non-competitive contracts to procure goods and services in an emergency that would not reasonably permit a competitive solicitation; or
 - iii. Those goods and services listed in Schedule A of the Financial Control Policy.
- c) Determining the appropriate form and method of solicitation by which all goods and services shall be procured on behalf of the Library, including, without limitation, by electronic methods;
- d) Establishing templates for common or repetitive solicitations;

- e) Administering solicitations, including advertising of notices, up to finalization of an agreement, including:
 - i. Receipt, custody and security of all submissions and specified evaluation documentation;
 - ii. submissions made by suppliers that have been suspended from bidding, or that are otherwise in contravention of this policy or any Board policy regarding supplier eligibility and conduct;
 - iii. Assessing compliance with mandatory requirements by determining whether irregularities are major or minor and rejecting submissions with major irregularities;
 - iv. Overseeing the evaluation of submissions;
 - v. Communicating with suppliers after issuance of a solicitation up to the finalization of an award; and
 - vi. Otherwise managing the remainder of the process through award and final contract execution or purchase order issuance.
- f) Overseeing the disposition of goods which have been declared surplus by the relevant Director;
- g) Developing co-operative purchasing plans with other public bodies;
- h) Compiling and maintaining a collection of all policies adopted by the Board from time to time affecting purchasing procedures;
- i) Providing information to suppliers in relation to this policy, purchasing procedures, and related templates, tools, systems and practices;
- j) Providing relevant training for any staff responsible for, or involved in, purchasing procedures;
- k) Providing professional advice and guidance, including strategic advice in relation to planning an appropriate solicitation method and developing rated or other relevant evaluation criteria or related supplier performance and contract implementation;
- l) Reporting to the Board on all solicitations where the Board has authority to make an award;
- m) Providing advice and support to the Board;
- n) Reporting on, along with the Director that initiated the solicitation, all awards not subject to approval by the Board to the Directors Committee;
- o) Reporting to suppliers and the public on the award of each procurement valued over \$100,000, including any essential information as may be prescribed;
- p) Maintaining and publishing a list of suspended or ineligible suppliers;
- q) Generally monitoring, supervising and reporting to the City Librarian, as required from time to time, on the purchasing process;
- r) Undertaking a comprehensive review of this policy and all policies affecting the purchasing procedures every five years; and
- s) Delegating to any or all Directors any aspect of the purchasing procedures as the Chief Purchasing Officer may deem reasonable.

4. Responsibilities of Directors and Project Leads

4.1 Director responsibilities

Directors or their delegate(s) shall be responsible for:

- a) Ensuring division staff involved in purchasing procedures receive appropriate training;
- b) Advising the Purchasing Department of divisional procurement plans and specific upcoming procurements and allowing sufficient time to complete the procurement as may be stipulated in the purchasing policies or purchasing procedures;
- c) Participating in the development of template specifications, quality requirements, scope of work and other requirements including contract documentation for routine procurements conducted by their division;
- d) Ensuring that procurements with a value not exceeding the divisional purchase limit are made by their divisions in compliance with this policy, the purchasing procedures and the Financial Control Policy;
- e) Ensuring that goods and services are legitimately required for Library purposes prior to the issuance of any solicitation;
- f) Ensuring that all technical specifications and requirements can be justified on the basis of a legitimate business objective and do not unfairly discriminate against any potential supplier;
- g) Directing and overseeing the management of all contracts led by or coordinated by their division including, without limitation, the approval of subcontracting, assignment, amendment, optional renewal, early termination, enforcement of warranty and performance security and the adoption of related divisional contract management procedures;
- h) Considering short- and long-term requirements with respect to quantities and timelines or total project costs;
- i) Considering the cost of ongoing maintenance, support and licensing and other requirements;
- j) Consulting with the Digital Services and Emerging Technologies Division of the Library if the goods or services, or part thereof, are comprised of computer hardware or software, audio-visual hardware or software, internet applications, or licensing or maintenance thereof, or will potentially have implications for the Library's existing information technology infrastructure; and
- k) Selection of an appropriate project lead.

4.2 Project Lead responsibilities

Project leads shall be responsible for:

- a) Preparing technical specifications, quantity requirements and scope of work for

solicitations;

- b) Identifying areas for continuous improvement in template documents in relation to non-routine procurements in order that appropriate terms and conditions can be developed by the Purchasing Department in consultation with the City's Insurance and Risk Management Division and the City Solicitor;
- c) Ensuring that goods and services, and their suppliers, conform with contract terms, conditions and technical specifications when the goods and services are first received and throughout the term of a contract; and
- d) Managing the contract including, without limitation, the verification that payments are made only for deliverables properly received and timelines are met, approving, or obtaining necessary approvals, for such actions as subcontracting, assignment, amendment, optional renewal, early termination, and the enforcement of warranty and performance security in accordance with divisional contract management procedures and in consultation with the City Solicitor.

5. Standard Procurement Methods

5.1 Information gathering

Prior to issuing a competitive solicitation, the following solicitation documents may be issued for the purpose of gathering information:

- a) Request for information (RFI); or
- b) Request for expression of interest (REOI).

The receipt of a submission in response to an RFI or REOI does not create a legal contract.

5.2 Pre-qualification for selective solicitations

A request for supplier pre-qualification (RFSQ) may be used for selective solicitations to establish a list of pre-qualified suppliers that will later be eligible to respond to:

- a) A specific solicitation; or
- b) A roster list.

The selection of a supplier for a list of pre-qualified suppliers does not create a legal contract by the Library with any listed supplier.

5.3 Competitive solicitations

A competitive solicitation method must be used for any procurement, unless one or more of the exceptions for using a non-competitive procurement described in this policy

exist. Competitive solicitation methods include, but are not limited to, the following:

- a) Requests for tender (RFT);
- b) Requests for quotations (RFQ);
- c) Requests for proposals (RFP);
- d) Requests for supplier pre-qualification (RFSQ); and
- e) Any multi-stage procurement involving a combination of these competitive solicitation methods.

5.4 Notices of intended procurement

A notice of intended procurement must be advertised and published on an electronic tendering system easily accessible to suppliers of the Library for the following solicitations:

- a) Procurements valued over \$100,000; or
- b) An RFSQ for selective solicitations.

5.5 Co-operative purchasing

The Chief Purchasing Officer may make arrangements with one or more other public bodies for co-operative purchasing where there are economic advantages in so doing, provided that if the procurement is to be conducted by other public bodies, the Chief Purchasing Officer determines that:

- a) The method of procurement used by the other public body is a competitive method consistent with that described in this policy; and
- b) The awarding, reporting and execution of contracts resulting from the co-operative purchasing is in accordance with the requirements of this policy and the purchasing procedures.

Such solicitations shall be conducted and contracts executed in accordance with the applicable authority for competitive procurements as set out in this policy and in the Financial Control Policy.

5.6 Procurement of same goods and services as another public body

Notwithstanding any other provision of this policy, a procurement may be made directly from a supplier of another public body, if the Chief Purchasing Officer determines that the public body followed a competitive method consistent with that described in this policy, and the following additional conditions exist:

- a) The resulting contract between the public body and the supplier stipulates that

the same goods and/or services be made available to other public bodies which include the Library at the same price as provided by the supplier to the initiating public body;

- b) The same goods and/or services will be made available to the Library for the same or better price than the price that is to be paid by the public body;
- c) The purchase of goods and/or services by the Library is within funding approval; and
- d) The supplier is not ineligible, suspended or otherwise in contravention of this policy.

The award and contract execution in relation to a procurement made by another public body shall otherwise be in accordance with the authorities applicable to a competitive solicitation as set out in this policy and in the Financial Control Policy.

5.7 Social procurement

The Chief Purchasing Officer, in consultation with City staff, will seek opportunities which advance supply chain diversity and workforce development initiatives consistent with the purchasing policy to drive inclusive economic growth.

- a) Supply chain diversity will involve inviting diverse suppliers, subject to obtaining access to the diverse supplier lists from the City, to submit a bid in response to certain calls. The goal is to increase the diversity of the Library's supply chain by providing diverse suppliers with equitable access to competitive procurement processes.
- b) Workforce development language, which will be developed in consultation with the City, will be incorporated into the appropriate call documents. The goal of workforce development is to increase the number of employment, apprenticeship and training opportunities leveraged for people experiencing economic disadvantage, including those from equity-seeking communities.

6. Non-Competitive or Limited Solicitations

The City Librarian may delegate award authority in any amount within the limit of \$500,000 to a Director for non-competitive or limited solicitation awards.

6.1 Non-competitive procurement exceptions

A non-competitive procurement may be undertaken where both the proposed non-competitive procurement and the particular supplier can be justified in good faith, based on one or more of the following:

- a) A statutory or market-based monopoly;
- b) An absence of competition in the market for technical reasons;
- c) The existence of exclusive rights such as patent, copyright, license or warranty restrictions;
- d) Procurement of a work of art;
- e) Additional deliveries by an original supplier of goods and services that were not included in the original procurement, but a change cannot be made for economic or technical reasons without causing significant inconvenience or substantial duplication of costs for the Library;
- f) An attempt to procure the required goods or services by soliciting competitive submissions has been made in good faith, but has failed to identify a compliant submission or qualified supplier, or where the submissions received have been collusive;
- g) The goods or services are required as a result of an emergency which would not reasonably permit the solicitation of competitive submissions;
- h) Construction, renovations, repairs and/or maintenance in respect of real estate leased or occupied by the Library which may only be conducted by another person in accordance with a real estate agreement;
- i) The goods or services are purchased under circumstances which are exceptionally advantageous to the Library, such as in the case of a bankruptcy or receivership;
- j) It is advantageous to the Library to acquire the goods or services from another public body;
- k) Another organization is funding, or substantially funding, the procurement and the Library has determined that the supplier and the terms and conditions of the proposed contract are beneficial to the Library;
- l) The procurement of a particular brand of goods or services that are intended solely for resale to the public and no other brand meets the Library's program objectives nor is the brand available from any other source;
- m) A contract to be awarded to the winner of a design contest, provided that:
 - i. The contest is organized in a manner that is consistent with the principle of fair competition contained in this policy, in particular relating to public advertising; and
 - ii. The participants are judged by an independent jury with a view to awarding a design contract to a winner;
- n) Procurement of a prototype or a first good or service that is developed in the course of a contract for research, experiment, study or original development;
- o) Goods purchased on a commodity market; or
- p) Such other non-competitive procurement exceptions authorized by the Board.

6.2 Limited solicitation exceptions

A limited solicitation may be undertaken in the following circumstances:

- a) Any procurement valued at \$100,000 or less; or
- b) The confidential nature of the requirement is such that it would not be in the public interest to solicit competitive submissions.

6.3 Non-competitive or limited solicitation contract authority – general

A contract may be awarded in relation to a non-competitive or limited solicitation procurement process by:

- a) The City Librarian for a procurement of up to \$500,000; and
- b) The Board for all procurements over \$500,000, or where the term of the contract exceeds five years or exceeds the projected capital funding for the project as approved by the Board.

6.4 Non-competitive or limited solicitation contract authority – emergency

- a) The City Librarian may approve and enter into a contract in relation to a non-competitive procurement of goods or services required in an emergency of not more than \$500,000 as provided for in the Financial Control Policy.
- b) Where the potential value of the non-competitive contract exceeds \$500,000, the Chief Purchasing Officer and the City Librarian shall report jointly to the Board as soon as practical and not later than the second regular meeting of the Board after entering into the contract.

7. Open Competitive Awards

The City Librarian may delegate award authority in any amount within the limit of \$500,000 to a Director for open competitive awards.

7.1 Authority to award – Chief Purchasing Officer

The Chief Purchasing Officer shall be authorized to make an award upon the recommendation of the City Librarian, provided that the following conditions are met:

- a) The award is to the supplier whose response meets the specifications and qualification requirements set out in the solicitation and whose response represents the best value to the Library based on the evaluation criteria set out in the solicitation, including price criteria;
- b) The procurement process was conducted in a fair and transparent manner, in accordance with the process disclosed to all suppliers;
- c) The term of the contract does not exceed a maximum term of five years for operating expenditures, or the projected term of capital funding for a project as

- approved by the Board; and
- d) The contract is within the City Librarian's commitment authority and has funding approval under the provisions of the Financial Control Policy up to a maximum of \$500,000.

7.2 Authority to award – City Librarian – extended authority

The City Librarian may exercise the authority of the Board to make an award or take any other appropriate action, including rescinding an award or cancelling a solicitation, provided that the following conditions are met:

- a) The award is made or action is taken during the Board's summer recess, an election recess, labour disruption or if a Board meeting is cancelled and another Board meeting is not held within one week following the cancellation;
- b) The contract exceeds the City Librarian's commitment authority of \$500,000 and has funding approval under the provisions of the Financial Control Policy;
- c) The award is to the supplier whose response meets the specifications and qualification requirements set out in the solicitation and whose response represents the best value to the Library based on the evaluation criteria set out in the solicitation, including price criteria;
- d) The procurement process was conducted in a fair and transparent manner, in accordance with the process disclosed to all suppliers; and
- e) The term of the contract does not exceed a maximum term of five years for operating expenditures, or the projected term of capital funding for a project as approved by the Board.

7.3 Authority to award – Board

The Board is authorized to make an award or to take any other appropriate action including rescinding an award or cancelling a solicitation in the following situations:

- a) The contract exceeds the City Librarian's commitment authority of \$500,000 and has funding approval under the provisions of the Financial Control Policy;
- b) The Chief Purchasing Officer, after consulting with the City Librarian, has recommended an award to a supplier whose response may not materially meet the specifications and qualification requirements set out in the solicitation or whose response may not represent the best value to the Library based on the evaluation criteria set out in the solicitation;
- c) The award exceeds the contract term limit of five years for operating expenditures, or exceeds the projected capital funding for a project previously approved by the Board, subject to the provisions of the Financial Control Policy;
- d) The Chief Purchasing Officer, after consulting with the City Solicitor, has determined that there are material risks as to the merits of making or rescinding

- any award;
- e) The contract does not have funding approval;
- f) The Chief Purchasing Officer or the Library official on whose behalf the solicitation was made are of the opinion that the award should be made by the Board; or
- g) The Board has directed that the award be made by the Board.

8. Cancellation of Solicitations

8.1 Cancellation of solicitations

The Chief Purchasing Officer shall be authorized to cancel any solicitation where:

- a) There is a request by the Director who initiated the solicitation where the cost of the responses exceed the funding approval for the proposed contract.
- b) In the opinion of the Director responsible for the solicitation:
 - i. A change in the scope of work or other solicitation requirements are necessary and therefore a new solicitation should be issued; or
 - ii. The goods and services identified in the solicitation no longer meet the Division's requirements.
- c) In the opinion of the Chief Purchasing Officer the integrity of the solicitation process has been compromised due to a material breach of the process as disclosed in the solicitation.
- d) The solicitation has failed to elicit competition or any qualified supplier.
- e) Upon review by the Library Treasurer in consultation with the City Solicitor, it is determined that the integrity of the solicitation process has been compromised due to a material breach of the procurement process disclosed in the solicitation.

9. Bid Disputes

9.1 Pre-award bid disputes

Suppliers should seek a resolution of any pre-award dispute by communicating directly with the Chief Purchasing Officer as soon as possible from the time when the basis for the dispute became known to the supplier. The Chief Purchasing Officer may delay an award, or any interim stage of a procurement, pending the acknowledgement and resolution of any pre-award dispute.

9.2 Post-award bid disputes

Any dispute to an award decision must be received in writing by the Chief Purchasing Officer no later than ten business days after the date of the award notification. Where a debriefing has been requested by a Supplier within that ten-day period, the dispute to

an award decision must be received in writing by the Chief Purchasing Officer no later than five business days after such debriefing occurs. Any dispute that is not received in the timeframe set out above or in writing will not receive further consideration.

Any written dispute to an award decision with a procurement value over \$100,000 that cannot be resolved by the Chief Purchasing Officer through consultations with the supplier, shall be referred by the Chief Purchasing Officer to the Library Treasurer or their designate(s) for an impartial review, based on the following information:

- a) A specific description of each act or omission alleged to have materially breached the procurement process;
- b) A specific identification of the provision in the solicitation or purchasing process that is alleged to have been breached;
- c) A precise statement of the relevant facts;
- d) An identification of the issues to be resolved;
- e) The supplier's arguments, including any relevant supporting documentation; and
- f) The supplier's requested remedial action.

The Library Treasurer or their designate(s), in consultation with the City Solicitor, may:

- a) Dismiss the dispute; or
- b) Accept the dispute and direct the Chief Purchasing Officer to take appropriate remedial action including, but not limited to, rescinding the award and any executed contract, and canceling the solicitation.

The Library Treasurer may adopt and publish such further procedures as are necessary to ensure an independent and timely review and resolution of post-award bid disputes.

10. Contract Execution

10.1 Contract execution and purchase orders

Where an award of a contract has been made, then in addition to any other general or specific authority delegated by the Board regarding contract execution:

- a) Any contract in excess of \$100,000 shall be in a form satisfactory to the City Solicitor;
- b) The form of contract shall be disclosed in the solicitation, including any process and scope for contract negotiations. All awards are subject to the execution of the contract documents or issuance of a purchase order by the Library;
- c) The City Librarian may enter into and execute all necessary contract documents in relation to any award;
- d) The Chief Purchasing Officer may issue a purchase order for any procurement

award.

11. Surplus Goods

11.1 List of surplus goods

- a) Where a Director determines that any goods should be declared surplus due to being obsolete, worn out or no longer being useful for the division, a list of such goods shall be made available to the Chief Purchasing Officer for the purpose of circulation to other divisions. If they are not required by any other divisions, then the goods may be declared surplus by the Chief Purchasing Officer.
- b) Notwithstanding Sections 11.1(a), the Director responsible for the acquisition of library materials and the Acquisition Manager, in consultation with the Chief Purchasing Officer, shall be responsible for the handling of surplus of all library materials and shall determine the appropriate method of conveyance to best meet the Library's needs.

11.2 Disposal of surplus goods

Arrangements may be made for the disposal of the goods in any way that is believed will provide the highest return to the Library including, but not limited to:

- a) Public auction;
- b) Issuance of an RFT or RFQ;
- c) Trade-in as part of the procurement of other similar goods being acquired by the Library;
- d) Donating or selling the goods for a nominal fee, or generating revenues which would be donated to a not-for-profit charitable organization that is registered as such with the Canada Revenue Agency; or
- e) Classifying as waste and recycling, scrapping, dismantling, destroying and/or disposing.

12. Supplier Code of Conduct

12.1 Honesty and good faith

- a) Suppliers must respond to the Library's solicitations in an honest, fair and comprehensive manner that accurately reflects their capacity to satisfy the requirements stipulated in the solicitation.
- b) Suppliers shall submit a bid only if they know they can satisfactorily perform all obligations of the contract in good faith.
- c) Suppliers shall alert the Chief Purchasing Officer to any factual errors, omissions and ambiguities that they discover in the solicitation as early as possible in the

process to avoid the solicitation being cancelled.

12.2 Confidentiality and disclosure

- a) Suppliers must maintain confidentiality of any confidential Library information disclosed to the supplier as part of the solicitation process.
- b) Suppliers must acknowledge in their bid that their bid information will be subject to the confidentiality and disclosure requirements of the Municipal Freedom of Information and Protection of Privacy Act, 1990.

12.3 Conflicts of interest or unfair advantage

Suppliers must declare and fully disclose any actual or potential conflict of interest or unfair advantage related to the preparation of their bid or where the supplier foresees an actual or potential conflict of interest or unfair advantage in the performance of the contract. Such actual or potential conflicts of interest or unfair advantages include, but are not limited to:

- a) Engaging current or former Library employees or Board members to take any part in the preparation of the bid or the performance of the contract if awarded, any time within two years of such persons having left the employ of the Library or the Board;
- b) Engaging any family members, friends or private business associates of any Library employee or Board member which may have, or appear to have, any influence on the procurement process, or subsequent performance of the contract;
- c) Prior involvement by the supplier or their affiliated persons in developing the technical specifications or other evaluation criteria for the solicitation;
- d) Prior access to confidential Library information by the supplier, or their affiliated persons, that is materially related to the solicitation and that was not readily accessible to other prospective suppliers; or
- e) The supplier or their affiliated persons are indebted to or engaged in ongoing or proposed litigation with the Library in relation to a previous contract.

12.4 Collusion or unethical bidding practices

No supplier may discuss or communicate, directly or indirectly, with any other supplier or their affiliated persons about the preparation of the supplier's submission including, but not limited to, any connection to, comparison of, figures or arrangements with, or knowledge of any other supplier making a submission for the same work. Suppliers shall disclose to the Chief Purchasing Officer any affiliations or other relationships with other suppliers that might be seen to compromise the principle of fair competition, including any proposed subcontracting relationships.

12.5 Illegality

- a) A supplier shall disclose any previous convictions of itself or their affiliated persons for collusion, bid-rigging, price-fixing, bribery, fraud or other similar behaviours or practices prohibited under the Criminal Code, the Competition Act or other applicable law, for which they have not received a pardon.
- b) A supplier shall be deemed ineligible for an award for a minimum period of five years from the date of the conviction, unless pre-approved by the Library Treasurer.

12.6 Interference prohibited

No supplier may threaten, intimidate, harass, or otherwise interfere with any Library employee or Board member in relation to their procurement duties. No supplier may likewise threaten, intimidate, harass, or otherwise interfere with an attempt by any other prospective supplier to bid for a Library contract or to perform any contract awarded by the Library.

12.7 Gifts or favours prohibited

No supplier shall offer gifts, favours or inducements of any kind to Library employees or Board members, or otherwise attempt to influence or interfere with their duties in relation to the procurement process or management of a contract.

12.8 Misrepresentations prohibited

Suppliers are prohibited from misrepresenting their relevant experience and qualifications in relation to any solicitation process and must acknowledge that the Library's process of evaluation may include information provided by the supplier's references as well as records of past performance on previous contracts with the Library or other public bodies.

12.9 Prohibited communication during the solicitation

No supplier, or affiliated person, may discuss or communicate, either verbally or in writing, with any Library employee, Board member or the media in relation to any solicitation between the time of the issuance of the solicitation to the award and execution of final form of contract, unless such communication is expressly permitted in the solicitation and in compliance with the Library's Lobbying Disclosure for Requests for Proposals and Tender/Quotations Calls Policy and Lobbying Disclosure for Board Member Policy. All supplier communications shall be with the Chief Purchasing Officer or the employee specifically designated for that purpose in the solicitation.

12.10 Failure to honour bid

Suppliers shall honour their bid, except where they are permitted to withdraw their bid in accordance with the process disclosed in the solicitation. Suppliers shall not refuse to enter into a contract or refuse to fully perform the contract once their bid has been accepted by the Library.

12.11 Supplier performance

- a) Suppliers shall fully perform their contracts with the Library and follow any reasonable direction from the Library to cure any default.
- b) Suppliers shall maintain a satisfactory performance rating on their previous contracts with the Library and other public bodies to be qualified to be awarded similar contracts.
- c) Without limiting a) and b), no supplier shall, in the performance of a contract with the Library:
 - i. Materially fail to perform in accordance with the terms of one or more contracts;
 - ii. Over-bill, double-bill, retain a known over-payment, or fail to notify the Library of an over-payment or duplicate payment within a reasonable time;
 - iii. Bill for goods or services not supplied;
 - iv. Bill for goods or services of one grade, while supplying goods or services of an inferior grade;
 - v. Misrepresent the quality or origin of goods and services, their functionality or suitability for a purpose, or their performance characteristics;
 - vi. Misappropriate any property or right of the Library, in any form;
 - vii. Submit false or exaggerated claims to the Library;
 - viii. Submit misleading information to the Library;
 - ix. Seek modifications to the price of a contract through false or misleading representations, including materially undervaluing a bid or any included unit prices to win a contract award with the intention of later seeking unnecessary contract modifications;
 - x. Fail to pay debts to the Library upon reasonable demand;
 - xi. Act in any manner that is a conflict of interest with the Library without the knowledge and consent the Library; or
 - xii. Any other professional misconduct or omissions that adversely reflect on the commercial integrity of the supplier.

12.12 Disqualification of suppliers for non-compliance

- a) Suppliers shall be required to certify compliance with the Supplier Code of Conduct as set out in Section 12 of this policy with their bid and verify

compliance prior to award. Any contravention of the Supplier Code of Conduct by a supplier, including any failure to disclose any actual or potential conflicts of interest or unfair advantages, may be grounds for the Chief Purchasing Officer to disqualify a supplier from being awarded a contract.

- b) The Chief Purchasing Officer, in consultation with the City Solicitor, may also disqualify any supplier who may otherwise have any actual or potential conflict of interest or unfair advantage that cannot be resolved in relation to any procurement.
- c) A contravention of the Supplier Code of Conduct may also be grounds for the City Librarian to terminate any Contract awarded to that supplier and require the return of any advance payments.

12.13 Suspension of suppliers from future solicitations

- a) Without limiting or restricting any other right or privilege of the Library, the Board may suspend a supplier's eligibility to bid for a period between one and five years based upon evidence that there has been a contravention of the Supplier Code of Conduct or for any other professional misconduct or omissions that adversely reflect on the commercial integrity of the supplier.
- b) Without limiting or restricting any other right or privilege of the Library, the Chief Purchasing Officer, in consultation with the City Solicitor, may also temporarily suspend a supplier's eligibility to bid for up to six months based upon evidence that there has been a contravention of the Supplier Code of Conduct or for any other professional misconduct or omissions that adversely reflect on the commercial integrity of the supplier.
- c) The Chief Purchasing Officer shall submit an annual report to the Board, where any supplier has been suspended under this policy.

12.14 Review of suspensions

- a) A suspended supplier may apply to the Chief Purchasing Officer for a review of their suspension upon completion of one year or at least half of their total suspension period. An application for review must be in writing and include the reasons and any reasonable supporting documentation.
- b) A decision to reinstate a suspended supplier may be made by the Board based on the recommendation of both the Chief Purchasing Officer and the City Librarian, subject to such reasonable conditions or limitations that ensure the supplier will not pose a material risk to the Library's procurement process, contract management or reputation for the remaining duration of the original suspension.

13. General

13.1 Employee ethical procurement standards

- a) Library employees must perform their duties and arrange their private interests so that the public confidence in their integrity, objectivity and impartiality are conserved and enhanced in compliance with the Employee Code of Ethics and other relevant Library policies.
- b) Any actual or potential conflict of interest or unfair advantage related to a procurement, where known, shall be disclosed to the Chief Purchasing Officer as early as possible in the purchasing process.
- c) Any actual or potential conflict of interest or unfair advantage shall be managed in a manner consistent with the highest standards of purchasing ethics, which is not limited to cancelling a solicitation or implementing reasonable safeguards to prevent an employee from having any access to confidential information or involvement in a particular procurement.

13.2 In-house bids restricted

Submissions to any solicitation will not be accepted from internal Library employees without prior approval by the Board, including approval of the process for fair evaluation of those submissions.

13.3 No informal authority to contract

No Library employee or Board member shall make, or offer to make, any contract on behalf of the Library except as may be provided for in this policy and in compliance with the Financial Control Policy.

13.4 No split contracts

No requirement for the payment of goods or services received by the Library shall be divided in order to avoid any of the requirements of this policy or the Financial Control Policy.

13.5 No contracts without funding approval

No contract shall be authorized unless the Board has provided funding approval for such purpose in a budget, or agreed to the provision of such funds, and no expenditure shall be authorized or incurred in excess of the funds provided, subject to the provisions of the Financial Control Policy.

13.6 Divisional Purchase Limit

The City Librarian is authorized to determine, from time to time and in consultation with the Treasurer and Chief Purchasing Officer, a divisional purchase limit at or below which a Director or their designate may procure Goods and Services directly rather than through the Chief Purchasing Officer.

13.7 Solicitation Threshold

The City Librarian is authorized to determine, from time to time and in consultation with the Treasurer and Chief Purchasing Officer, a reasonable solicitation threshold at or below which a purchase can be made for good value without soliciting multiple bids.

13.8 Conflict with policies and procedures

If there is a conflict or inconsistency between this policy and the purchasing procedures, this policy shall govern and take precedence.

Accountability

The Library Treasurer shall undertake such tests and inquiries as are appropriate to ensure that the Library maintains satisfactory internal control practices, and that all officials and employees duly carry out the terms of this policy, and shall carry out such tests and inquiries as are requested by the Board.

Implementation

The City Librarian and Directors shall ensure that all individuals who are involved with procurement procedures are made aware of this policy and that these individuals comply with this policy.

The Chief Purchasing Officer shall ensure that all solicitation documents inform all participants of the terms of this policy.

Inquiries

All inquiries concerning this policy are to be directed to:

Director, Finance & Treasurer
789 Yonge Street
Toronto, Ontario
M4W 2G8

Schedules and Appendices

Schedule A – Purchasing Procedures

- Appendix A – Segregation of Duties
- Appendix B – Approval Authority

Related Policies

- Financial Control Policy
- Employee Code of Ethics
- Lobbying Disclosure
- Lobbying Disclosure for Board Members
- TPL Board Member Code of Conduct

Schedule A Purchasing Procedures

1. Purpose

The purpose of these procedures is to protect the interests of the Library, the public and persons participating in the procurement process. This will be accomplished by reinforcing fairness, openness, transparency and integrity, and by adopting consistent and standard approaches for all stages of the Library's procurement processes.

These procedures supplement the Purchasing Policy and other applicable Ontario laws, including trade agreements to which Ontario is a signatory, where applicable to the Library's procurement.

2. Interpretation

2.1 Definitions

Definitions for these procedures are as set out in Section 2.1 of the Purchasing Policy.

2.2 References to Purchasing Policy

References to Purchasing Policy within Schedule A (Purchasing Procedures) are to the body of the Purchasing Policy, excluding Schedule A.

3. Segregation of Duties

The procurement cycle may be divided into seven stages, inclusive of contract management. The roles and responsibilities of those involved in the various stages are further outlined in Appendix A to these procedures. The Chief Purchasing Officer may delegate aspects of the procurement duties to other divisions.

The Chief Purchasing Officer may adopt supplemental procedures to ensure clear segregation of duties for all stages of the procurement cycle for which the Purchasing Department is responsible.

4. Approval Authority

A summary of the approval authority requirements and methodology for the procurement of goods and services under the authority of the Purchasing Policy is attached as Appendix B to these procedures.

5. Competitive Procurement Thresholds

5.1. The Library shall conduct an open and competitive procurement process where the value of goods and services exceeds \$100,000, subject to those exemptions or non-competitive procurement or limited solicitation exceptions set out in the Purchasing Policy.

5.2. The Library will not reduce the procurement value or subdivide the procurement into multiple procurements in order to avoid any competitive procurement threshold.

5.3. It is recommended that goods and services below the threshold of \$100,000 also be competitively procured through at least a limited solicitation, inviting at least three suppliers, subject to any applicable non-competitive procurement exception.

6. Procurement Planning

The Purchasing Department will work with divisions to establish an annual procurement plan that is coordinated with and reflects the division's actual or proposed procurement funding approvals by the Board.

The Purchasing Department is responsible for the production of the procurement plan template and its dissemination to all divisions.

Divisions are responsible for developing a business case for each procurement that must include at least the following:

- a) A clear summary description of goods and/or services to be procured;
- b) An explanation of the need for the procurement, including confirmation that internal resources are not sufficient, where appropriate; and
- c) The proposed procurement value and funding source.

The solicitation method shall be recommended by the Purchasing Department, in consultation with the division, for each procurement.

7. Standard Procurement Solicitation Methods

7.1. Information gathering

7.1.1. The Purchasing Department may assist divisions in the development of requirements for any procurement through the use of informal market research and formal market research, including but not limited to, the use of market soundings, vendor days, requests for information (RFIs), and requests for expression of interest (REOIs).

7.1.2. The Purchasing Department shall not use a response from a RFI or a REOI to pre-qualify potential suppliers and shall not use the response to influence the chances of the participating suppliers from becoming the successful proponent in any subsequent opportunity.

7.2. Pre-qualification for selective solicitations

7.2.1. Request for supplier qualification

7.2.1.1. The Chief Purchasing Officer is authorized to determine, in consultation with the Director initiating the solicitation, those suppliers meeting the minimum disclosed standards for technical qualifications and professional competence to respond to future related solicitation(s).

7.2.1.2. The Purchasing Department shall use a request for supplier qualification (RFSQ) prior to a solicitation for tenders, quotations or proposals, where it is deemed that the nature and complexity of the work involved warrants the time and effort required to pre-select the most experienced and qualified bidders.

7.2.1.3. The Purchasing Department shall include language that disclaims any contractual commitment or other obligation of the Library to call on any supplier to provide goods or services as a result of pre-qualification within the RFSQ.

7.2.2. Equipment or specialty subcontractors

7.2.2.1. The Chief Purchasing Officer's authority to pre-qualify suppliers includes the selection of specified equipment, facilities, specialty subcontractors, and/or materials suppliers, if required in the opinion of the Director, for incorporation in the technical specifications of any future solicitation. This Section is subject to Section 14 (Non-Discrimination) below.

7.2.3. Establishment of a roster for selective solicitations

7.2.3.1. In situations where a division or multiple divisions require the same type of good or service on a regular or recurring basis, it may not be efficient or cost effective to initiate a new open procurement process each time that particular good or service is required. In such cases, a roster of qualified suppliers may be established for the purpose of selective solicitations.

7.2.3.2. Rosters established for selective solicitations may remain unchanged for a maximum period of two years at which point the roster must be re-established in order to allow new suppliers to apply for inclusion in accordance with the notice of intended

procurement for the RFSQ.

7.2.3.3. A call-up protocol shall be disclosed in the RFSQ that sets out the subsequent selection process and the general terms and conditions that will govern any future work assignments and, where applicable, any proposed framework pricing. The call-up protocol contained in a RFSQ shall also disclaim any contractual commitment or other obligation of the Library to call on any supplier on the roster to provide goods or services.

7.2.3.4. Approval of any subsequent award to a supplier under the RFSQ call-up protocol shall be in accordance with the authority to award open competitive solicitations.

7.3. Open competitive solicitations

The Chief Purchasing Officer may use any of the following solicitation methods where the Library is required to issue an open competitive solicitation:

7.3.1. Request for tenders (RFT)

A request for tenders may be used to obtain bids for construction services, whenever the division has pre-determined the required scope of work, including quantity and/or quality requirements, and the evaluation criteria to determine the best value is generally the lowest cost bid meeting technical specifications without any material contract negotiations, subject to any other provisions of the Purchasing Policy and the Purchasing Procedures.

7.3.2. Request for quotations (RFQ)

A request for quotations may be used to obtain goods and services (other than construction services) whenever the division has pre-determined the required quantity and/or quality of the goods and services and the evaluation criteria to determine the best value is generally the lowest cost bid meeting technical specifications without any material contract negotiations, subject to any other provisions of the Purchasing Policy and the Purchasing Procedures.

7.3.3. Request for proposals (RFP)

A request for proposals shall be used to obtain goods and services of a unique or complex nature where all or part of the requirements cannot be precisely defined and the expectation is that suppliers are to propose solutions to arrive at the desired result and the evaluation criteria to determine best value may include more than price factors. The RFP may allow for consecutive or concurrent negotiations to be conducted with

suppliers on any of the contract terms, including but not limited to the technical specifications, commercial terms and/or prices pursuant to a process detailed in the RFP, subject to any other provisions of the Purchasing Policy and the Purchasing Procedures.

7.3.4. Selective solicitations

Selective solicitations involving a RFSQ in combination with any other solicitation method, shall be preceded by a notice of intended procurement. Only the second stage of a multi-stage procurement shall be considered a contract award.

8. Posting Notices of Intended Procurement and Solicitation Documents

The Purchasing Department shall provide a notice of intended procurement and make all open competitive procurements readily available for all suppliers through an accessible electronic tendering system.

9. Timelines for Posting Procurements

9.1. The Purchasing Department shall implement procedures that ensure suppliers are provided with a response time for the open competitive procurement of goods and services that meet the minimum requirements outlined in applicable law, including applicable trade agreements.

9.2. Where no trade agreement applies, the Chief Purchasing Officer will determine the appropriate response time for the solicitation.

10. Bid Receipt and Openings

10.1. The Purchasing Department shall ensure that the bid submission date and closing time are clearly stated on all solicitations. In addition, the Purchasing Department shall ensure that the closing date of a competitive procurement process is on a regular working day. Regular working days are Monday to Friday, excluding provincial and federal statutory holidays.

Bids that are received after the closing time shall not be accepted and not evaluated.

10.2. The Chief Purchasing Officer will develop procedures with respect to opening bids.

11. Evaluation Criteria and Process Disclosure

11.1. Evaluation criteria

11.1.1. The Purchasing Department, in consultation with the division, shall develop evaluation criteria, which is then reviewed and approved by the Chief Purchasing Officer (or their designate) prior to commencement of the competitive solicitation process.

11.1.2. All solicitations issued by the Purchasing Department shall clearly identify the requirements of the procurement, the criteria that will be used in the evaluation of bids or proposals and, where appropriate, the methods of weighting and evaluating the criteria.

11.1.3. In addition, all solicitations issued will, where appropriate:

- a) Clearly outline mandatory, rated and other criteria that will be used to evaluate submissions, including the weight of each criterion;
- b) State that submissions that do not meet the mandatory criteria will be disqualified;
- c) Clearly establish the formula for calculating the total price/cost;
- d) Ensure that all mandatory and rated criteria comply with Section 14 (Non-Discrimination) of the Purchasing Policy and this Purchasing Procedures document;
- e) Minimize mandatory requirements (e.g., submission and performance mandatory requirements) to ensure that no bid is disqualified except to serve a legitimate business or public policy objective;
- f) Allocate maximum justifiable weighting to the price/cost component of the evaluation criteria; and
- g) Disclose whether negotiations are permitted and, if so, whether the negotiations will be consecutive or concurrent negotiations, and the permitted scope and process for negotiations.

11.2. Negotiation procedures

11.2.1. Where negotiations are permitted by a solicitation, they must be conducted fairly and in a manner that does not disclose confidential commercial information about any other supplier.

11.2.2. Alternative strategies or solutions shall not be considered for evaluation, unless they are explicitly requested in the solicitation, and the process for evaluating such strategies or solutions is disclosed to all potential suppliers.

11.2.3. For RFTs for construction services, negotiations are generally not permitted, unless the Library is unable to recommend an award within the funding approval of the Board. In those circumstances where the solicitation may otherwise be cancelled, the Director, in consultation with the City Solicitor, may alternatively negotiate with the

lowest compliant bidder (only) to identify any acceptable changes in the scope or quality of work and their corresponding bid price reduction, up to 15% of the contract value, in a manner consistent with CCDC 23 – A Guide to Calling Bids and Awarding Construction Contracts and such other procedures adopted by the Chief Purchasing Officer.

11.3. Addenda procedures

The Purchasing Department shall use a written addendum to alter any aspect of the solicitation, including any evaluation criterion prior to the close of the solicitation. No changes to the evaluation criteria or the respective weightings shall occur after closing.

11.4. Math errors and tied bids procedures

The Chief Purchasing Officer shall establish a procedure for resolving mathematical errors and tied bids for all competitive solicitations.

11.5. Unbalanced bid analysis

11.5.1. The Chief Purchasing Officer shall establish a procedure for analyzing bids and proposals received to determine if the Library has received an unbalanced bid and the actions the Library may take in response to a materially unbalanced bid, including rejection.

11.5.2. For the purpose of these procedures, a materially unbalanced bid means a bid that:

- a) Is based on prices which are significantly less than cost for some items of work and prices which are significantly overstated in relation to cost for other items of work; and
- b) The Library has determined that the bid may not result in the lowest overall cost to the Library even though it may be the lowest submitted bid; or
- c) Is so unbalanced as to be tantamount to allowing an advance payment.

11.6. Major and minor bid irregularities

In addition to the discretion provided to the Chief Purchasing Officer to resolve major and minor bid irregularities in the Purchasing Policy, the Chief Purchasing Officer may establish procedures for resolving common bid irregularities for open competitive solicitations.

In the event of any conflict between the evaluation criteria disclosed in a solicitation and the list of common irregularities contained in any purchasing procedure, the evaluation criteria disclosed in the open competitive solicitation shall govern.

In exercising judgment with respect to any bid irregularity, the Chief Purchasing Officer shall consider the advice of the City Solicitor.

12. Evaluation Team

12.1. Competitive procurement processes require an evaluation team responsible for reviewing and rating the compliant bids in accordance with the criteria disclosed in the solicitation.

12.2. The same evaluation team shall be responsible for evaluation of all submissions. The evaluation team shall include staff member(s) with the relevant experience to evaluate bidders or proponent's submissions. The size of the evaluation team shall be reflective of the complexity and value of the procurement and shall not be comprised of less than three members. Staff representatives from operational and support divisions may also be included on the evaluation team where appropriate, including complex or high profile projects and those having corporate-wide implications.

12.3. The Purchasing Department shall ensure that all evaluation team members are made aware of the restrictions related to utilization and distribution of confidential and commercially sensitive information collected through the competitive procurement process and their obligation to refrain from engaging in activities that may create or appear to create a conflict of interest or evaluation bias.

12.4. Evaluation team members, as well as any other staff involved in the preparation of the solicitation, must sign a conflict of interest declaration and non-disclosure of confidential information agreement for each procurement.

13. Evaluation Criteria Matrix

13.1. Each evaluation team member shall independently complete an evaluation criteria matrix, rating/ranking each of the bid submissions, on the basis of the pre-established evaluation criteria. Evaluators must ensure that they document their evaluation of each bid submission in a manner that is fair, factual, and fully defensible.

13.2 Upon completion of the independent scoring, each team member shall participate in the determination of a team consensus scoring of all bid submissions.

13.3. All records of evaluation scores will be retained for auditing purposes.

14. Non-Discrimination

14.1. The Library shall not discriminate or exercise preferential treatment in awarding a

contract to a supplier as a result of a competitive solicitation, unless it can be justified on the basis of a legitimate business objective, public policy, or applicable law.

14.2. Measures that may be inconsistent with this non-discrimination policy include, but are not limited to, the following:

- a) The imposition of conditions in the solicitation, registration requirements or qualification procedures that are based on the location of a supplier's place of business, the place where the goods are produced or the services are provided, or other like criteria;
- b) The biasing of technical specifications in favour of, or against, particular goods or services, including those goods or services included in construction contracts, or in favour of, or against, the suppliers of such goods or services for the purpose of avoiding non-discrimination obligations;
- c) The timing of events in the solicitation process so as to prevent suppliers from submitting bids;
- d) The specification of quantities and delivery schedules of a scale and frequency that may reasonably be considered as deliberately designed to prevent suppliers from meeting the requirements of the procurement;
- e) The use of price discounts or preferential margins in order to favour particular suppliers; and
- f) An unjustified requirement that a construction contractor or subcontractor use workers, materials or suppliers of materials originating from the location where the work is being carried out.

15. Non-Competitive Procurement and Limited Solicitations

15.1. Non-competitive procurement process

15.1.1. The Purchasing Department will employ a competitive procurement process wherever possible to achieve optimum value for public money. However, where exemptions or exceptions set out in Section 6.1 of the Purchasing Policy apply, justifying a negotiated non-competitive procurement, the Library staff accountable for the non-competitive procurement must still be satisfied that the negotiation process achieves the optimum value for public money, prior to the approval of the non-competitive contract.

15.1.2. The authority to award a contract pursuant to a non-competitive procurement process shall be in accordance with the non-competitive contract authority set out in the Purchasing Policy and the Financial Control Policy.

15.2. Unsolicited quotations or proposals

Unsolicited proposals should not be considered where they would circumvent any planned procurement process, including any potential REOI or RFI process. An unsolicited proposal will not be considered except in compliance with the Library's policies and procedures.

15.3. Limited solicitations

15.3.1. The Chief Purchasing Officer may use a limited solicitation method, inviting three or more suppliers recommended by the Director, where the value of the procurement does not exceed \$100,000. A limited solicitation includes an informal request for quotation or proposals where the responding suppliers are permitted to submit bids that are revocable up until contract award and execution.

15.3.2. An informal request for quotations or proposals shall disclaim any bid-related claims for failure to award a contract and disclaim any intention to create legal obligations generally connected with formal irrevocable tenders. Any award, by the Chief Purchasing Officer, shall be made to the bid that represents the best value, based on the recommendation of the Director.

16. Contract Award Notification

16.1. For procurements valued at \$100,000 or more, the Purchasing Department shall notify the recommended supplier and the unsuccessful suppliers of the pending award.

16.2. For competitive and non-competitive procurements valued at \$100,000 or more, the Purchasing Department shall promptly post notice of an award online. The notice must be posted after the agreement between the successful supplier and the Library was executed, unless it can be justified as exempt based on confidentiality or other public interest grounds. The content of the notice will comply with applicable law.

17. Supplier Debriefing

For competitive procurement processes valued at \$100,000 or more, the Purchasing Department shall inform all unsuccessful suppliers about their entitlement to a debriefing.

The Purchasing Department will allow unsuccessful suppliers up to sixty calendar days following the date of the contract award notification to request a debriefing.

18. Bid Dispute Resolution

18.1. Pre-award bid disputes

Further to Section 9.1 of the Purchasing Policy, any pre-award dispute must be received in writing by the Chief Purchasing Officer, as soon as possible from the time when the basis for the dispute became known to the bidder or proponent and, in cases where a bidder or proponent has been declared non-compliant, no later than five business days after the receipt of such notification.

The Chief Purchasing Officer may delay an award, or any interim stage of a procurement, pending the acknowledgement and resolution of any pre-award dispute.

The Chief Purchasing Officer, in consultation with the City Solicitor, where appropriate, shall conduct a review of the pre-award dispute and determine whether:

- a) To dismiss the pre-award dispute;
- b) To accept the pre-award dispute and take the appropriate remedial action including, but not limited to, reinstating the bidder or proponent into the competition or cancelling the call; or
- c) To have the Board decide on the award.

The Chief Purchasing Officer may adopt and publish such further procedures as are necessary to ensure a timely review and resolution of pre-award disputes.

18.2. Post-award bid disputes

Post-award disputes shall be dealt with in accordance with Section 9.2 of the Purchasing Policy and any associated procedures developed by the Library Treasurer.

19. Contract Establishment, Execution and Administration

19.1. Establishing the contract

The contract must be finalized using the form of contract that was released with the solicitation and/or in a form satisfactory to the City Solicitor where the contract is valued at \$100,000 or more. Where the solicitation allows for consecutive negotiations or concurrent negotiations of any of the contract terms, the final form of contract shall also be in a form satisfactory to the City Solicitor.

In circumstances where the solicitation permits negotiation of the final form of contract, and a negotiation strategy is used, the contract between the Library and the successful supplier must be defined formally in a signed written contract before the provision of goods or services commences, subject to exceptions as defined by the City Solicitor.

19.2. Executing the contract

The contract between the Library and the successful supplier must be defined formally in a signed written contract before the provision of goods or services commences, subject to exceptions as defined by the City Solicitor. The Chief Purchasing Officer, in consultation with the City Solicitor, shall establish a procedure for the execution of formal contracts for goods and/or services.

19.3. Term of contract modifications (including option years)

The term of any contract, and any options to extend the contract, shall be set out in the solicitation, including the delegated authority to exercise any option or renewal.

Extending the term of the contract beyond that which is set out in the solicitation shall be considered, subject to approval, to be a non-competitive procurement, where the extension affects the value and/or stated deliverables of procurement.

19.4. Contract administration

19.4.1. General

Each division shall manage their respective contracts to ensure all deliverables are properly received, payments are appropriately made, all timelines are met, and any option years to the contract are appropriately exercised.

19.4.2. Payments to suppliers

Divisions shall ensure that payments are made in accordance with the provisions of the contract. Furthermore, divisions shall ensure that all invoices contain detailed information sufficient to warrant payment.

19.4.3. Contract changes

If a contract change results in a net increase to the contract value previously approved, the division shall seek approval for the change in accordance with the Financial Control Policy. Where there is a material change increasing the scope of work, deliverables or the term of the contract that was not provided for in the original solicitation, the change shall be justified and approved under the authority to award a non-competitive procurement.

19.4.4. Contingencies and risk management

Divisions are responsible for planning for the inclusion of appropriate contingency allowances and for selection and disclosure of appropriate financial means to guarantee the execution and performance of the contract, in consultation with the Purchasing

Department, the Library Treasurer, the City Solicitor and the City's Insurance and Risk Management Division, where appropriate. Such means may include appropriate insurance and indemnity provisions, financial bonds or other forms of security deposits, appropriate provisions for liquidated damages, progress payments and holdbacks. The type and value of insurance coverage and other financial measures will be relevant to the goods, services or construction services being procured.

19.4.5. Termination and assignment clauses

All contracts shall include appropriate cancellation, rescission, assignment and/or termination clauses.

19.4.6. Contractor performance evaluation and disqualification

19.4.6.1. The Chief Purchasing Officer, in consultation with divisions and the City Solicitor, will develop further procedures related to contractor performance evaluation and disqualification from future procurements based on poor performance.

19.4.6.2. Division project leads must manage and document supplier performance in accordance with the terms of the contract, and any performance issues must be addressed. In addition to any other performance evaluation criteria developed by the Library, division project leads must provide a poor past performance rating for a supplier's less than full performance of the Library contract that results from either:

- a) A termination of the contract due to the supplier's default; or
- b) A conditional amendment of the contract due to the supplier's default.

19.4.6.3. Division project leads shall maintain records of supplier performance on all applicable contracts, including proof that the division project lead (or their delegate) has communicated with the supplier regarding the matter before taking any contract performance measure. The recorded information shall be used to ensure contract compliance, to supplement a pre-qualification process, or to justify rejecting a supplier's bid for similar deliverables, as part of the solicitation process for evaluating minimum supplier performance and experience criteria. Such records may also justify the Library taking action to suspend a supplier from future solicitations.

19.4.6.4. To manage disputes with suppliers throughout the life of the contract, the Library will include a dispute resolution process in their contracts and in the contractor performance evaluation process.

19.4.7. Service contracts

Each division shall establish clear procedures for managing service contracts, which

may include:

- a) Establishing clear terms of reference for the assignment. The terms should include objectives, background, scope, constraints, staff responsibilities, tangible deliverables, timing, progress reporting, approval requirements, payment schedule and knowledge transfer requirements.
- b) Establishing expense claim and reimbursement rules compliant with the Library's policies and procedures and ensuring all expenses are claimed and reimbursed in accordance with these rules.
- c) Ensuring that expenses are claimed and reimbursed where the contract explicitly provides for reimbursement of expenses.

20. Sale or Disposal of Surplus Goods

Further to Section 11 of the Purchasing Policy, funds received for the disposal of surplus goods will be credited back to the last division having control over the surplus goods disposed.

If the Chief Purchasing Officer and the Director concerned are of the opinion that the highest competitive bid for surplus goods received in response to a call represents a fair or favourable price, the surplus goods may be transferred to that bidder upon payment of the price by cash or certified cheque or by cancellation of an equivalent amount of corporate indebtedness toward that bidder at the time of the transfer, or by any combination thereof.

21. Supplier Code of Conduct

21.1. General

Further to Section 12 of the Purchasing Policy, the Chief Purchasing Officer shall establish the appropriate procedures and templates with respect to determining compliance with the Supplier Code of Conduct.

21.2. Illegality

21.2.1. General

The following shall supplement Section 12.5 of the Purchasing Policy.

21.2.2. Ineligibility and pardons

The Library Treasurer may reverse a determination of ineligibility in respect of an offence listed in Section 12.5(a) of the Purchasing Policy if the supplier demonstrates

that it or its affiliated person has been granted an absolute discharge, conditional discharge (and has satisfied the conditions), a pardon or a record suspension.

The Library Treasurer will also not make a determination of ineligibility in a case where a supplier demonstrates that it has benefited from a foreign pardon (regarding a foreign offense) which, in the Library Treasurer's opinion in consultation with the City Solicitor, is similar to a Canadian pardon.

22. Suspension of Suppliers from Future Solicitations

22.1. General

The following shall supplement Section 12.13 of the Purchasing Policy and Section 19.4.6 of the Purchasing Procedures, where a supplier is suspended from future solicitations for poor past performance or other violations of the Supplier Code of Conduct.

22.2. Subcontracting

A supplier cannot subcontract with a suspended or ineligible supplier. A supplier is required to verify the status of their prospective first-tier subcontractors prior to bid submission.

22.3. Existing contracts

If a supplier is determined to be ineligible during the performance of a contract, the Library may terminate the contract in the public interest. Suppliers will be afforded an opportunity to show cause as to why the termination should not be exercised.

If a supplier is suspended from future awards during the performance of a contract, the existing contract may not be extended or expanded without the approval of the Library Treasurer, in consultation with the City Solicitor.

22.4. Public interest exception

The Library Treasurer may decide that it is in the public interest to approve the use of an ineligible or suspended supplier in the following possible circumstances:

- An emergency where delay would be injurious to the public interest;
- The supplier is the only person capable of performing the contract;
- The contract is essential to maintain sufficient emergency supplies; or

- Not entering into the contract with the supplier would have a significant adverse impact on the health, security, safety, public security or economic or financial well-being of the Library.

Exemptions will be applied on a case-by case basis by the Library Treasurer.

22.5. Notice of ineligible and suspended suppliers

The Chief Purchasing Officer shall maintain a list of ineligible and suspended suppliers and will post such a list electronically.

23. General

23.1. Procurement records retention and access to information

23.1.1. The contents of any bid, proposal or submission shall be made available to the public, on request, except to the extent such information is confidential information protected from disclosure under the provisions of the Municipal Freedom of Information and Protection of Privacy Act, 1990.

23.1.2. All procurement documentation, as well as any other pertinent information shall be maintained, retained and only disposed of in accordance with the Library's Records Retention Policy.

23.2. Procurement review and audits

23.2.1. The Chief Purchasing Officer shall conduct regular reviews and audits of its procurement activities, procedures and templates to ascertain compliance with this policy.

**Appendix A of Schedule A Purchasing Procedures
Segregation of Duties**

Procurement Stage	Action(s)	Responsibility
1. Initial Planning and Conditional Approval	<ol style="list-style-type: none"> 1. Develop procurement plan 2. Develop business case and identify funding source and initial funding approval 	<ol style="list-style-type: none"> 1. Division 2. Division and Finance
2. Procurement Streaming and Detailed Planning	<ol style="list-style-type: none"> 1. Select appropriate procurement stream and solicitation format 2. Identify appropriate contract type 3. Develop initial specification 4. Develop procurement project plan and strategy 	<ol style="list-style-type: none"> 1. Division and Purchasing Department 2. City Solicitor 3. Division 4. Division and Purchasing Department
3. Procurement Document Assembly	<ol style="list-style-type: none"> 1. Develop final technical specifications and scope of work 2. Develop fee schedule and evaluation criteria 3. Assemble solicitation document 4. Review and approve solicitation document prior to release 	<ol style="list-style-type: none"> 1. Division Project Lead 2. Division Project Lead and Purchasing Department 3. Purchasing Department and Division Project Lead 4. Division Project Lead, Purchasing Department and City Solicitor
4. Competition	<ol style="list-style-type: none"> 1. Issue solicitation document to market as per the appropriate procurement stream 2. Manage bid receipt and bid opening 3. Select evaluation team 	<ol style="list-style-type: none"> 1. Purchasing Department 2. Purchasing Department 3. Division Project Lead and Purchasing Department

	<ol style="list-style-type: none"> 4. Coordinate evaluation process 5. Manage pre-award dispute process 	<ol style="list-style-type: none"> 4. Purchasing Department and Division Project Lead 5. Purchasing Department and City Solicitor where appropriate
<p>5. Contract Approval Process and Formalization</p>	<ol style="list-style-type: none"> 1. Supplier award recommendation report 2. Preliminary review and approval of award recommendation 3. Final review and award 4. Negotiations (where applicable) 5. Final contract preparation and execution 6. Issue purchase order 	<ol style="list-style-type: none"> 1. Director 2. Purchasing Department and City Solicitor where appropriate 3. Approval authority under Purchasing Policy and Financial Control Policy 4. Division, Purchasing Department and City Solicitor where appropriate 5. Purchasing Department, Division and City Solicitor where appropriate 6. Purchasing Department
<p>6. Post-Award Process</p>	<ol style="list-style-type: none"> 1. Manage debriefing process 2. Manage post-award dispute process 	<ol style="list-style-type: none"> 1. Purchasing Department and Division 2. Purchasing Department and City Solicitor where appropriate
<p>7. Contract Management</p>	<ol style="list-style-type: none"> 1. Manage delivery of the contract 2. Evaluate supplier performance 3. Manage supplier suspension process 	<ol style="list-style-type: none"> 1. Division Project Lead 2. Division Project Lead 3. Purchasing Department, Division Project Lead and City Solicitor

**Appendix B of Schedule A Purchasing Procedures
Approval Authority**

Non-Competitive Procurement Award Authority (refer to Section 6 of Purchasing Policy)	
Level	Conditions
City Librarian	Up to a maximum of \$500,000.
Board	Over \$500,000, or where the term of the contract exceeds five years or exceeds the projected capital funding for the project as approved by the Board.
Competitive Procurement Award Authority (refer to Section 7 of Purchasing Policy)	
Level	Conditions
Chief Purchasing Officer (refer to Section 7.1 of the Purchasing Policy)	<p>Make an award up to a maximum of \$500,000, upon the recommendation of the City Librarian and provided that the following conditions are met:</p> <ul style="list-style-type: none"> a) Award is to the supplier meeting the specifications and qualification requirements and providing best value as defined in the solicitation; b) Procurement process was conducted in a fair and transparent manner; c) Term of the contract does not exceed a maximum term of five years for operating expenditures, or the projected term of capital funding for a project as approved by the Board; and d) Contract is within the City Librarian’s commitment authority and has funding approval under the provisions of the Financial Control Policy up to a maximum of \$500,000.
City Librarian – Extended Authority	Exercise the authority of the Board to make an award or take any other appropriate action, including rescinding

<p>(refer to Section 7.2 of the Purchasing Policy)</p>	<p>an award or cancelling a solicitation, provided that the following conditions are met:</p> <ul style="list-style-type: none"> a) Award is made or action is taken during the Board’s summer recess, an election recess, labour disruption or if a Board meeting is cancelled and another Board meeting is not held within one week following the cancellation; b) Contract exceeds the City Librarian’s commitment authority of \$500,000 and has funding approval under the provisions of the Financial Control Policy; c) Award is to the supplier meeting specifications and providing best value as defined in the Solicitation; d) Procurement process was conducted in a fair and transparent manner; and e) Term of contract does not exceed 5 years including option years or the projected term of capital funding approved by the Board.
<p>Board (refer to Section 7.3 of the Purchasing Policy)</p>	<p>Make an award or take any other appropriate action, including rescinding an award or cancelling a solicitation, in the following situations:</p> <ul style="list-style-type: none"> a) Contract exceeds the City Librarian’s commitment authority of \$500,000 and has funding approval under the provisions of the Financial Control Policy; b) Award to a supplier not meeting the specifications and qualification requirements and/or not providing best value as defined in the solicitation; c) Award exceeds the contract term limit of five years for operating expenditures, or exceeds the projected capital funding for a

	<p>project previously approved by the Board;</p> <ul style="list-style-type: none">d) The Chief Purchasing Officer, after consulting with the City Solicitor, has determined that there are material risks as to the merits of making or rescinding any award;e) Contract does not have funding approval;f) The Chief Purchasing Officer or the Library official on whose behalf the solicitation was made are of the opinion that the award should be made by the Board; org) The Board has directed that the award be made by the Board.
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POLICY: PROCUREMENT PROCESSES

SECTION: II – General Policies – Finance and Property

MOTION#/DATE: 04 – 148 – November 15, 2004

REVISED: 10 – 150 November 22, 2010

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Effective Date

This policy is effective from the date of its adoption by the Board.

Policy Objective

The objective is to protect the interest of the Library, the public and persons participating in the procurement process. It is intended to reinforce fairness, openness, transparency and integrity by adopting consistent and standard approaches for:

- selecting the appropriate type of procurement process to be used;
- communicating with vendors throughout the process;
- identifying and dealing with common irregularities in bids;
- evaluating proposals;
- dealing with vendor complaints;
- providing unsuccessful vendors with feedback; and
- maintaining records on vendor performance under contracts.

This policy supplements the Financial Control Policy. The Financial Control Policy governs in the event of any conflict.

Underlying Principles

The Financial Control Policy grants authority to solicit Bids and Proposals, to Award contracts to the successful Bidders/Proponents, and to make Commitments.

The code of purchasing ethics established by the Purchasing Management Association of Canada and the Library's Conflict of Interest Policy applies to all Library employees involved in the procurement process.

The procurement process is also subject to the Lobbying Disclosure for Requests for Proposals and Tender / Quotations Calls Policy.

Any information supplied to the Library by a vendor will be subject to the provisions of the Municipal Freedom of Information and Privacy Protection Act.

All references in this policy to dollar amounts are in Canadian dollars and shall be considered to be exclusive of taxes.

Policy Statement

The Library supports effective, objective, fair, open, transparent, accountable, and efficient procurement processes through the solicitation of multiple Bids, Proposals, and direct negotiation.

The Library's intent is to procure goods and services that meet the Library's operational needs and specifications within a consistent and standard competitive process that is fair to all parties.

Scope

This policy covers the procurement of all goods and services acquired by the Library through formal and informal Calls and Requests for Pre-qualification, Expression of Interest, Tenders, Quotations and Proposals.

The procurement of Library Materials is excluded from the scope of this policy and is governed by the Financial Control Policy.

Application

This policy applies to all Library employees and Board members who are involved in the procurement of Goods and Services for the Library. The Library will attempt to ensure that all agents and consultants working on behalf of the Library comply with the intent and spirit of this policy whenever it is practical and reasonable for them to do so.

Specific Directives

1.0 Types of Competitive Procurement Processes

The following competitive processes are to be used to give effect to the purpose of this policy:

- 1.1 A Request for Pre-qualification shall be used, and precede a Call for Tender or Quotations or a Request for Proposals in order to identify and pre-select Bidders and Proponents, where the nature and complexity of the work involved warrants the time and effort required to pre-select the most experienced and qualified Bidders or Proponents.
- 1.2 A Request for an Expression of Interest shall be used to determine the interest of the market place to provide a scope of work or services contemplated to be procured by the Library.

- 1.3 A Call for Tenders shall be used to obtain Bids for construction, whenever the requirements can be precisely defined and the expectation is that the lowest bid meeting the requirements specified in the Call would be accepted, subject to any other provisions of the Library's Financial Control Policy.
- 1.4 A Call for Quotations shall be used to obtain Goods and Services (other than construction) whenever the requirements can be precisely defined and the expectation is that the lowest bid meeting the requirements specified in the Call would be accepted, subject to any other provisions of the Library's Financial Control Policy.
- 1.5 A Request for Proposal shall be used to obtain Goods and Services of a unique or complex nature where all or part of the requirement cannot be precisely defined and the expectation is that the Proposal offered by the highest ranked Proponent resulting from an evaluation and meeting the requirements specified in the Request, including the evaluation criteria set out in the Request, would be accepted, subject to any other provisions of the Library's Financial Control Policy.

2.0 Formal / Informal Call / Request for Quotations / Proposals

- 2.1 A formal Call / Request for Quotation / Proposal through a public advertisement and listing on the Library's web site is used when the estimated value for a requirement is greater than \$50,000. Potential Bidders / respondents may also be selected from a list of qualified Bidders / respondents.
- 2.2 An informal Call for Quotations, conducted by means of telephone, fax, e-mail or other similar methods to a minimum of three Bidders, where possible, may be used to obtain prompt, efficient and expeditious procurements of Goods and Services, of a low dollar value (estimated to be \$50,000 or less).

3.0 Alternative Procurement Process

An alternative procurement process shall only be used if one or more of the following conditions apply and a process of negotiation is undertaken to obtain the best value in the circumstances for the Library:

3.1 Sole Source

The Goods and Services are only available from one source or supplier by reason of:

- (i) a statutory or market based monopoly;
- (ii) a scarcity of supply in the market;
- (iii) existence of exclusive rights (patents, copyright or licence);
- (iv) need for compatibility with Goods and Services previously acquired and there are no reasonable alternatives, substitutes or accommodations; or
- (v) need to avoid violating warranties and guarantees where service is required.

3.2 Competitive Method Failed

An attempt to purchase the required Goods and Services has been made in good faith using a competitive method and has failed to identify a successful supplier.

3.3 Emergency

The Goods and Services are required as a result of an emergency, which would not permit the use of the other methods permitted.

3.4 Single Source

The required Goods and Services are to be supplied by a particular vendor or supplier having special knowledge, skills, expertise or experience that cannot be provided by any other supplier.

3.5 Not in Public Interest

The nature of the requirement is such that it would not be in the public interest to solicit competitive bids, as in the case of confidential matters.

3.6 Other

Any other sole or single source purchase permitted under the provisions of the Library's Financial Control Policy.

4.0 Unsolicited Quotations or Proposals

The Library's practice is that it does not accept unsolicited quotations or proposals, but rather, seeks to ensure that the best value possible are obtained through a competitive process.

However, in those exceptional cases where the City Librarian or a Director wishes to accept an unsolicited quotation or proposal, the acceptance of such quotation or proposal can only be done with Board approval.

5.0 Official Point of Contact and Lobbying Prohibition

The Library is committed to the highest standards of integrity with respect to the purchase of Goods and Services and managing the processes by which Goods and Services are acquired.

An official point of contact shall be named in all Calls and Requests to respond to all communications in respect of the Call or Request from the time of issuance, during the competitive process, up to and including the announcement of Award. The official point of contact shall be the Purchasing Agent. Should it be necessary or desirable to have a contact person to respond to technical issues, that person will also be named. All communications with respect to a Call or Request must be made to an official point of contact named in the Call or Request.

Vendors, or any representatives employed or retained by them, and any unpaid representatives acting on behalf of either, are strictly prohibited from communicating, either verbally or in writing, with any Library staff, Library Board member, or member of City Council with respect to a Call or Request from the time of its issuance until the time of award.

Any vendor found to be in breach of the policy will be subject to disqualification from the Call / Request or future Calls / Requests in the discretion of the Board.

6.0 Public Openings

Calls and Requests for Goods and Services estimated to be over \$50,000 shall be opened by Purchasing staff at the time and location specified in the Call or Request document.

Calls and Requests for Goods and Services estimated to be under \$50,000 need not be opened in a public forum, but the results will be available for review upon written request to the Purchasing Agent.

7.0 Bid / Proposal Irregularities

Appendix 1, entitled – “Bid Irregularities and Action Table”, lists various irregularities commonly contained in Responses received by the Library and the corresponding action to be taken by the Purchasing Agent.

In exercising judgement when considering irregularities, the Purchasing Agent shall consider legal advice.

8.0 Mathematical Errors

All Call documents shall include a statement indicating that where there is a discrepancy between the total price and the unit price, the unit price shall prevail.

During the Bid evaluation process, where any discrepancy exists between the total price and the unit price, the unit price shall prevail and the total Bid price shall be adjusted accordingly.

9.0 Tied Bids

In order to minimize the risk of tied Bids, Calls should include such terms and conditions that promote best overall value and allow responses to be valued accordingly. This includes, but is not limited to, such considerations as price (including discounts and prompt payment terms), quality, delivery (including response time), service and past performance.

If the terms and conditions of the individual Call have been met and the outcome of the evaluation still results in a tie, staff is authorized to conduct either a coin toss or a draw (lottery). In the case of two identical Bids a coin toss will decide. In the case of more than two identical Bids, a draw (lottery) will decide.

The result of the coin toss or the draw (lottery) is to be recorded and witnessed by representatives of all relevant parties and the Award shall be reported in accordance with the requirements of the Library’s Financial Control Policy.

10.0 Evaluation

An evaluation team shall be established for all Requests. It shall be comprised of departmental staff members with the relevant experience to evaluate the Proponents' submissions. The size of the evaluation team shall reflect the complexity and dollar value of the assignment and shall be comprised of not less than two members.

All Requests are to include clear specifications and evaluation criteria, terms and conditions that can be applied in a fair and consistent manner to all Proponents.

The evaluation team will be responsible for evaluating all submissions.

11.0 Vendor Complaints

The Library is committed to the highest standards of integrity with respect to dealing with vendor complaints. Complaints shall be handled with fairness and equity for all participants in a Call or Request.

All vendor complaints with respect to a Call or Request are to be referred to the Purchasing Agent for resolution.

Objections to a recommendation for Award must be in writing. The Purchasing Agent shall review the objection and determine, in consultation with the City Solicitor where necessary, whether the objection is a Material Objection.

Where the objection is not a Material Objection, the making of the Award shall proceed in accordance with the Financial Control Policy.

Where the objection is determined to be a Material Objection and cannot be resolved, the Award shall be made by the Board in accordance with the Financial Control Policy. In such case, the Purchasing Agent and the Director on whose behalf the Call or request was made and, where necessary, the City Solicitor shall report to the Board with respect to the recommendation for Award. The Purchasing Agent shall inform the vendor of its right to make a deputation before the Board. Upon hearing the deputation and considering the staff report, the Board shall make a decision with respect to the Award.

12.0 Vendor Debriefings

All vendors are entitled to a formal or informal debriefing, upon written request made to the Purchasing Agent, to obtain feedback on why their Bids or Proposals were not successful.

13.0 Vendor Performance

The Library shall maintain records of vendor performance on all contracts. The information shall be used to ensure contract compliance, to supplement a Pre-qualification process or to justify an Award to other than the low Bidder where it can be demonstrated that such records are part of the evaluation process and criteria.

14.0 In-house Bids

No Call or Request shall be issued which provides for consideration of in-house Responses unless the Call or Request has first received consideration and approval by the Board.

Accountability

The Library Treasurer shall undertake such tests and inquiries as are appropriate to ensure that the Library maintains satisfactory internal control practices, and that all officials and employees duly carry out the terms of this policy, and shall carry out such tests and inquiries as are requested by the Board.

Implementation

The City Librarian, Directors and Managers shall ensure that all individuals who are involved with procurement processes are made aware of this policy and that these individuals comply with this policy.

The Purchasing Agent shall ensure that all Call and Request documents inform all participants of the terms of this policy.

Appendices

Appendix 1 - Bid Irregularities and Action Table

Appendix 2 - References

Appendix 3 - Definitions

Appendix 4 - Inquiries

Appendix 1 - Bid/Proposal Irregularities and Action Table

IRREGULARITY	ACTION
Late Response	Automatic rejection and not read publicly.
Unsealed Envelopes	Automatic rejection.
Insufficient Financial Security <ul style="list-style-type: none"> • Insufficient or no deposit, bid bond or agreement to bond. 	Automatic rejection.
Incomplete Response	Automatic rejection unless, in the opinion of the Purchasing Agent, the nature of the incompleteness is trivial or insignificant.
Qualified Response <ul style="list-style-type: none"> • Qualified or restricted by an attached statement, unless allowed for. 	Automatic rejection unless, in the opinion of the Purchasing Agent, the qualification or restriction is trivial or insignificant.
Response received on documents other than those provided by the Library.	Automatic rejection unless, in the opinion of the Purchasing Agent, the matter is trivial or insignificant.
Execution of Agreement to Bond (Performance Security) <ul style="list-style-type: none"> • Corporate seal or signature of authorized agents of bonding company missing. 	Automatic rejection
Execution of Bid Bonds (Financial Security) <ul style="list-style-type: none"> • Corporate seal or signature of the bidder missing. • Both corporate seal and signature of bidder missing. • Corporate seal or signature of authorized agents of bonding company missing. 	Two (2) business days to correct. Automatic rejection. Automatic rejection.
Other Bid Security <ul style="list-style-type: none"> • Uncertified cheques 	Automatic rejection.
Documents – Execution <ul style="list-style-type: none"> • Corporate seal or signature missing. • Corporate seal and signature missing. 	Two (2) business days to correct. Automatic rejection.

<p>Erasures, Overwriting or Strike-Outs which are not Initialed</p> <ul style="list-style-type: none"> • Minor changes to response which are not initialed (example: the respondent’s address is amended by over-writing but not initialed) • Unit prices have been changed but not initialed and the contract totals are consistent with the price as amended. • Unit prices have been changed but not initialed and the contract totals are not consistent with the price as amended. 	<p>Two (2) business days to initial.</p> <p>Two (2) business days to initial.</p> <p>Automatic rejection.</p>
<p>Minor Irregularities, other than as identified above</p>	<p>The Purchasing Agent shall have the authority to waive irregularities deemed to be minor.</p>

Appendix 2 - References

Financial Control Policy of the Toronto Public Library Board

Section 212 of the City of Toronto Act, 2006

Appendix 3 - Definitions

“Award” means the acceptance of a Bid or Proposal in accordance with the terms of this policy;

“Bid” means a formal price response to a Call issued by the Library;

“Bidder” means any legal entity submitting a Bid in response to a Call by the Library;

“Board” means the Toronto Public Library Board;

“Call” means a Solicitation from the Library to external suppliers or providers to submit a Tender or Quotation;

“City” means the City of Toronto;

“City Librarian” means the person appointed by the Board holding the position of Chief Executive Officer for the Library or a similar successor position, and includes his or her Designate;

“City Solicitor” means the person holding the position of City Solicitor for the City, or a similar successor position, and includes his or her Designate;

“Commitment” means the document evidencing the contractual obligation for the purchase of any Goods or Services arising from an Award;

“Department” means an administrative unit of a Division of the Library headed by a Manager;

“Designate” means a Library employee designated to exercise authority;

“Director” means a person holding a management position in charge of a Division reporting directly to the City Librarian or the Director Branch Services, or a similar successor position, and includes his or her Designate, and includes the Director Branch Services;

“Division” means an administrative unit of the Library headed by a Director;

“Expression of Interest” means a submission in response to a Call or Request to determine the interest of the market place in providing the scope of Goods or Services intended to be procured by the Library;

“Goods” means all forms of personal property, both tangible and intangible;

“Library” means the Toronto Public Library;

“Library Materials” means books, videotapes, periodicals, subscriptions, serials, electronic information products and any other media, purchased by the Library for use by the public;

“Library Treasurer” means the person holding the position of Director, Finance and Treasurer of the Library or a similar successor position, and includes his or her Designate;

“Material Objection” means a written objection to an Award that relates to the exercise of discretion of the Purchasing Agent in accepting or rejecting response as being compliant or non-compliant with a Call and which is not:

- (a) frivolous or vexatious in the opinion of the Purchasing Agent; or
- (b) solely related to a review of any listed irregularities that any Library policy on procurement processes instructs or authorizes the Purchasing Agent to automatically reject;

“Proponent” means any legal entity submitting a Proposal in response to a Request;

“Proposal” means an offer to furnish Goods or Services, including professional or consulting services, as a basis for negotiations for entering into a contract;

“Purchasing Agent” means the person holding the position of Manager, Purchasing and Administration in the Library’s Finance Department, or a similar successor position, and includes his or her Designate and immediate supervisor, and whose responsibility it is to supervise and carry out selected procurement functions on behalf of the Library in accordance with this policy;

“Pre-qualification” means the submission of qualifications by a Bidder or Proponent in response to a Call or Request as part of the process to determine those Bidders or Proponents that would qualify to be solicited in a subsequent Call or Request leading to an Award;

“Quotation” means an offer to supply specified Goods or Services at a price fixed as to the total amount or on a unit basis, or both;

“Response” means the submission of a Bid, Proposal, Expression of Interest or Pre-qualification submission in response to a Call or Request;

“Request” means a Solicitation from the Library to external suppliers to submit a Proposal;

“Services” means any matter in respect of which the Board may incur a financial obligation other than Goods, excluding real property;

“Solicitation” means the process of notifying prospective Bidders or Proponents that the Board wishes to receive Bids or Proposals;

“Tender” means an offer in respect of a Project at a fixed price as to total amount or on a unit basis, or both, and where all of the material terms, conditions and specifications to be met for the project, aside from price and, in some cases, time for completion, are contained in the Call and determined at the time a bid is opened so that there is no prospect of negotiations between the parties.

Appendix 4 - Inquiries

All inquiries concerning this policy are to be directed to:

Director, Finance & Treasurer,
789 Yonge Street
Toronto ON M4W 2G8

**POLICY: EXCLUDE BIDS FROM EXTERNAL PARTIES INVOLVED
IN THE PREPARATION OR DEVELOPMENT OF A
SPECIFIC CALL/REQUEST**

SECTION: II – Finance and Property

MOTION#/DATE: 04 - 123 – September 20, 2004

Effective Date

September 20, 2004

Policy Objective

To ensure fair and equal treatment in all Toronto Public Library competitive procurements.

Underlying Principles

In some instances an external party such as vendors, consultants, firms, or supplier advises Toronto Public Library on the content, form or process of a specific Tender or Quotation Call/Request for Proposal. Such external parties would thus have an unfair advantage over other parties should they be allowed to compete for an Award.

Policy Statement

Toronto Public Library undertakes to:

- disallow Bidders/Proponents from submitting a Bid/Response to any Tender or Quotation Call/Request for Proposal in which the Bidders/Proponents have participated in the preparation of the call document; and
- disqualify the Bid/Response to the Call/Request from a Bidder/Proponent who fails to comply with this policy.

Scope

The policy covers situations where an external party has advised Toronto Public Library on the content, form, or process of a specific Tender or Quotation Call/Request for Proposal.

Application

The policy applies to all external parties such as vendors, consultants, firms or suppliers that may advise Toronto Public Library from time-to-time on the preparation or development of a specific Call/Request.

Specific Directives

The terms of this policy will be included in all Library procurement Calls/Requests as one of the conditions of eligibility for Bidders/Proponents.

The Bidders/Proponents will be requested in the Call/Request document to confirm that they comply with this policy.

Accountability

The Purchasing Agent is responsible for ensuring that any third party that has advised Toronto Public Library in the preparation or development of a specific Call/Request is disallowed from submitting a Bid/Response for any Tender or Quotation Call/Request for Proposal.

Definitions

Specific terms (which appear with first letter capitalized e.g. Call) are defined in the Financial Control Policy.



Purchasing Policy

Toronto Public Library Board

May 21, 2019



Overarching Principles

- Why does TPL need a Purchasing Policy?
- Critical importance of fairness, openness and transparency
- Public procurement
 - Stewards of the public purse
 - Accountable to the public at large
 - Formalized business rules (e.g., trade treaties, fair wage)
 - Higher level of risk (operational, legal and reputational)
 - Higher level of scrutiny on performance

- Revise existing Procurement Processes Policy
- Align with and combine 2 City of Toronto documents:
 - Purchasing By-law
 - Procurement Processes Policy
- Recognize TPL's structure and governance
- Incorporate procurement aspects of Financial Control Policy

- Align with relevant trade agreements:
 - CETA – Canada-EU Comprehensive Economic and Trade Agreement
 - CFTA – Canadian Free Trade Agreement
 - OQTCA – Ontario-Quebec Trade and Cooperation Agreement (amended to be in line with CFTA)
- Establish standards for supplier ethics
- Promote leading procurement practices
- Added purchasing procedures

Trade Agreements

- CETA and CFTA apply to all types of goods and services procured
- CETA
 - Goods and Services >\$365,700
 - Construction >\$9.1M
- CFTA
 - Goods and Services >\$101,100
 - Construction >\$252,700
- Value thresholds updated every 2 years

Impact of Trade Agreements Procurements/Solicitations

- Non-competitive procurements of any value
 - Must be done in good faith
 - Not designed to avoid open competitive procurement
 - Rationales clarified and expanded
- Limited solicitation procurements <\$100,000
 - At least 3 suppliers invited
- Open competitive procurements >\$100,000
 - Selective solicitations using a pre-qualified roster
 - Open market calls

Further Impacts of Trade Agreements

- Non-discrimination rules
 - Requires fair and equal treatment of all suppliers
 - Functional specifications that are not vendor-specific
- Negotiations permitted under certain conditions
- Timelines / Notices of Intended Procurement
 - CETA – reduce 40 day timeline to 25 days through automation
 - CFTA – reasonable length of time for posting
- Bid dispute process
 - CETA and CFTA – require impartial and timely consideration of any compliant supplier bid
 - Pre-award and post-award disputes

Reinforcing Ethics

- Establish a Supplier Code of Conduct
 - Reflects importance of the conduct of suppliers
 - Suppliers must declare they comply
- Contravention / consequences
 - Supplier disqualification
 - Supplier suspension from future solicitations
- Uphold TPL staff ethical procurement standards
 - Refer to Employee Code of Ethics
 - Disclose conflicts of interest or unfair advantage
 - Maintain highest standards of purchasing ethics

Alignment with BPS Procurement Directive

- Directors and Project Leads responsibilities
- Segregation of Duties Table
- Submission evaluation process
- Supplier debriefing
- Contract management

Financial Control Policy

- Purchasing sections removed from existing FCP and added to Purchasing Policy:
 - S.11 Purchasing
 - S.12 Access to Bids
 - S.14 Forms of Commitment
 - S.23 Sale or Disposal of Surplus Materials or Equipment
- Award authorities determined by FCP
 - Authority levels remain unchanged
 - City Librarian
 - \$500K
 - Delegates authorities to staff
 - Full revision of FCP after City amends its Financial By-law

Other Notable Amendments

- City Librarian – Extended Authority
 - Continue to have authority to make an award when there is no Board meeting
 - Authority expanded to include RFPs in addition to RFQs and RFTs
- Social Procurement
 - Supplier diversity
 - Workforce development

Next Steps

- Revising procedures
- Complete staff training and rollout
- Full implementation by October 1, 2019

Questions?