



**The Corporation of the City of Stratford  
Finance and Labour Relations Sub-committee  
Open Session  
AGENDA**

**Date:** Tuesday, April 16, 2019

**Time:** 3:30 P.M.

**Location:** Council Chamber, City Hall

**Sub-committee Present:** Councillor Clifford - Chair Presiding, Councillor Gaffney - Vice Chair, Councillor Beatty, Councillor Bunting, Councillor Ritsma

**Staff Present:** Michael Humble - Director of Corporate Services, Joan Thomson - City Clerk, Tatiana Dafoe - Deputy Clerk, Janice Beirness - Manager of Financial Services, Jodi Akins - Council Clerk Secretary

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Pages

**1. Call to Order**

The Chair to call the meeting to Order.

**2. Disclosure of Pecuniary Interest and the General Nature Thereof**

The *Municipal Conflict of Interest Act* requires any member of Council declaring a pecuniary interest and the general nature thereof, where the interest of a member of Council has not been disclosed by reason of the member's absence from the meeting, to disclose the interest at the first open meeting attended by the member of Council and otherwise comply with the *Act*.

Name, Item and General Nature of Pecuniary Interest

.....

### 3. Delegations

None scheduled.

### 4. Report of the Director of Corporate Services

#### 4.1 Consideration of the Stratford City Centre Business Improvement Area (SCC BIA) 2019 Budget (COU19-028)

7 - 9

Rob Wigan will be present at the meeting to speak to the 2019 SCC BIA budget.

Motion by \_\_\_\_\_

**THAT the presentation by Rob Wigan regarding the Stratford City Centre Business Improvement Area 2019 budget be heard.**

Motion by \_\_\_\_\_

**Staff Recommendations: THAT the report of the Director of Corporate Services dated April 16, 2019, regarding the Stratford City Centre Business Improvement Area 2019 budget be received for information;**

**THAT the 2019 budget of the Stratford City Centre Business Improvement Area be approved as submitted in the amount of \$307,950;**

**AND THAT the sum of \$290,750 shall be levied on properties located within the boundaries of the Stratford City Centre Business Improvement Area for the year 2019, such amount to be provided for as follows:**

**BIA Tax Rates for 2019:**

Tax Class	Assessment	BIA Rate	Taxes
Commercial Occupied	\$88,847,679	0.00317175	\$281,803
Commercial	870,400	0.00222023	1,932

Vacant			
Industrial Occupied	1,598,000	0.00438978	7,015
TOTAL			\$290,750

## 5. Report of the Stratford Tourism Alliance

### 5.1 Stratford Tourism Alliance – Q1 Update - 2019 (COU19-034)

10 - 22

Treasurer Lee Anne Nymeyer will be present at the meeting to present the 1st quarter update.

Motion by \_\_\_\_\_

**THAT the presentation by Lee Anne Nymeyer regarding the Stratford Tourism Alliance 1st Quarter update be heard.**

Motion by \_\_\_\_\_

**Staff Recommendation: THAT the Stratford Tourism Alliance reported dated April 16, 2019 be received for information.**

## 6. Report of the Stratford Economic Enterprise Development Corporation (SEED Co.)

### 6.1 Stratford Economic Enterprise Development Corporation (investStratford) – 2019 Quarterly Report 1 (COU19-035)

23 - 28

CEO Joani Gerber will be present at the meeting to present the 1st quarter update.

Motion by \_\_\_\_\_

**THAT the presentation by Joani Gerber of the SEED Co. 1st quarter update be heard.**

Motion by \_\_\_\_\_

**Staff Recommendation:** THAT the Stratford Economic Enterprise Development Corporation (investStratford) quarterly report dated April 16, 2019, be received as information.

**7. Report of the Manager of Financial Services**

**7.1 Purchasing Policy Update (COU19-033)**

29 - 144

Motion by \_\_\_\_\_

**Staff Recommendations:** THAT the management report regarding an updated Policy P.5.1 Procurement of Goods and Services, Purchasing be received;

**AND THAT** Council adopt the attached revised Policy P.5.1 Procurement of Goods and Services, Purchasing;

**AND THAT** Policy C.2.1 Hiring of Consultants be rescinded.

**8. Report of the Deputy Clerk**

**8.1 Pregnancy and Parental Leave for Members of Council Policy (COU19-031)**

145 - 150

Motion by \_\_\_\_\_

**Staff Recommendation:** THAT the report entitled "Pregnancy and Parental Leave for Members of Council Policy" be received for information;

**AND THAT** the Pregnancy and Parental Leave for Members of Council Policy C.3.15 be approved.

**9. Report of the Director of Corporate Services**

**9.1 Management Report - 2018 Year End Results (COU19-027)**

151 - 156

Motion by \_\_\_\_\_

**Staff Recommendation:** THAT the report of the Director of Corporate Services dated April 16, 2019 regarding 2018 year end results be received;

**AND THAT** the Wastewater surplus of \$295,914.40 be closed out to the Wastewater Rate Stabilization Reserve G-R18-WWTR-0000;

**AND THAT** the Water surplus of \$169,892.03 be closed out to the Water

Rate Stabilization Reserve G-R18-WATR-0000;

AND THAT the Waste Management surplus of \$475,774.00 be closed out to the Waste Management Capital Reserve Fund R-R11-WAST;

AND THAT the Building Division surplus of \$59,560.01 be closed out to the Building Permit Reserve G-R07-BSUR-0000;

AND THAT the Parking surplus of \$422,593.98 be closed out to the Parking Capital Reserve Fund R-R11-PRKG;

AND THAT the Tax Supported surplus of \$53,677.52 be closed out to the Tax Rate Stabilization reserve G-R14-TAXS-0000.

**9.2 Management Report - 2019 Municipal Debt Limits (COU19-029) 157 - 163**

Motion by \_\_\_\_\_

Staff Recommendation: THAT the report of the Director of Corporate Services dated April 16, 2019 regarding 2019 Municipal Debt Limits be received for information.

**9.3 Municipal Investment Performance for 2018 (COU19-030) 164 - 168**

Motion by \_\_\_\_\_

Staff Recommendation: THAT the report of the Director of Corporate Services dated April 16, 2019, regarding 2018 investment performance, be received for information.

**9.4 Proposed Revisions to the Community Grants Program (COU19-032) 169 - 181**

Motion by \_\_\_\_\_

Staff Recommendations: THAT the report of the Director of Corporate Services dated April 16, 2019, regarding the Proposed Revisions to the Community Grants Program be received for information;

AND THAT a final Community Grants Program policy be forwarded to Council for consideration of approval and adoption by by-law.

**10. Advisory Committee/Outside Board Minutes 182 - 184**

The following Advisory Committee/Outside Board minutes are provided for the information of Sub-committee:

Stratfords of the World Committee minutes of November 1, 2018

**11. Next Sub-committee Meeting**

The next Finance and Labour Relations Sub-committee meeting is May 21, 2019 at 3:30 p.m. in the Council Chamber, City Hall.

**12. Adjournment**

Meeting Start Time:

Meeting End Time:

Motion by \_\_\_\_\_

**THAT the Finance and Labour Relations Sub-committee meeting adjourn.**



## MANAGEMENT REPORT

**Date:** April 16, 2019  
**To:** Finance & Labour Relations Sub-committee  
**From:** Michael Humble, Director of Corporate Services  
**Report#:** COU19-028  
**Attachments:** 2019 SCC BIA Budget

**Title:** Consideration of the Stratford City Centre Business Improvement Area (SCC BIA) 2019 Budget

**Objective:** To approve the 2019 operating budget of the Stratford City Centre Business Improvement Area.

**Background:** The Municipal Act, 2001, s. 204 authorizes a municipality to establish a Business Improvement Area to be governed by a board of management.

The Municipal Act, 2001, s. 205 requires that the board of management *shall prepare a proposed budget for each fiscal year by the date and in the form required by the municipality and that the board of management shall submit the budget to council by the date and in the form required by the municipality and the municipality may approve it in whole or in part but may not add expenditures to it.*

The 2019 budget for the SCC BIA is attached for review.

**Analysis:** Representatives from SCC BIA will be attending the meeting to review the budget and answer questions.

It is worth noting that the City provides accounting services (payables, receivables, cash deposits, bank reconciliations, payment of audit fees and financial statement preparation) to the BIA at no charge.

**Financial Impact:** There is no financial impact for the City, as the approved amount is added to the rateable property in the business improvement area as a special charge.


**Staff Recommendations:** **THAT the report of the Director of Corporate Services dated April 16, 2019, regarding the Stratford City Centre Business Improvement Area 2019 budget be received for information;**

**THAT the 2019 budget of the Stratford City Centre Business Improvement Area be approved as submitted in the amount of \$307,950;**

**AND THAT the sum of \$290,750 shall be levied on properties located within the boundaries of the Stratford City Centre Business Improvement Area for the year 2019, such amount to be provided for as follows:**

**BIA Tax Rates for 2019:**

<b>Tax Class</b>	<b>Assessment</b>	<b>BIA Rate</b>	<b>Taxes</b>
Commercial Occupied	\$88,847,679	0.00317175	\$281,803
Commercial Vacant	870,400	0.00222023	1,932
Industrial Occupied	1,598,000	0.00438978	7,015
<b>TOTAL</b>			<b>\$290,750</b>



\_\_\_\_\_  
Michael Humble, Director of Corporate Services



\_\_\_\_\_  
Rob Horne, Chief Administrative Officer



19 Draft

REVENUES		
	Tax Levy	\$ 290,750.00
	Interest on Accounts	\$ 1,200.00
	HST Rebate	\$ 9,000.00
D007	Carriage Ride Revenue	\$ 2,000.00
D007	Christmas Revenue	\$ 5,000.00
D007	Canada Day Revenue	\$ -
D007	Grants	\$ -
D008	Destination Animation Fund	\$ -
TOTAL REVENUES		\$ 307,950.00
EXPENSES		
Operating		
D200	CC Support Fees - Admin, Events, Membership	\$ 117,000.00
D201/D204	Office Operations	\$ 4,400.00
D202	Insurance	\$ 1,200.00
D205	AGM / Membership Events	\$ 1,500.00
D208	Phone	\$ 600.00
D213	Anticipated Levy Refund	\$ 5,000.00
D245	Maps	\$ 5,000.00
D235	Directory Sign Maintenance	\$ 1,500.00
Events, Marketing and Beautification		
D275	Community Events	\$ 14,250.00
D275	Christmas (carolers/Santa/G-C's/promotion)	\$ 25,000.00
D275	Stratford Summer Music	\$ 5,000.00
D275	Carriage Rides	\$ 15,000.00
D258	Newsletter Production/Delivery	\$ 1,000.00
D261	Promotion	\$ 22,000.00
D260	Website Maintenance & Hosting	\$ 2,000.00
D256	New Business Packages	\$ 500.00
D256	Other (Canada Day/Christmas g/c) Purchase	\$ 1,500.00
D256	STA contribution	\$ 40,000.00
D238	Beautification (maintenance, recycling/garbage/benches/racks)	\$ 35,000.00
D265	Destination Animation Fund	\$ 10,500.00
TOTAL EXPENSE		\$ 307,950.00
NET INCOME/EXPENSES CURRENT YR		\$ -
Gift Certificate Revenues		\$ 25,000.00
Gift Certificate Payouts		\$ (40,000.00)
G/Cs Difference Outstanding		\$ (15,000.00)



## Corporate Services Department

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# MANAGEMENT REPORT

**Date:** April 16, 2019  
**To:** Finance and Labour Relations Sub-committee  
**From:** Michael Humble, Director of Corporate Services  
**Report#:** COU19-034  
**Attachments:** Stratford Tourism Alliance – Q1 Update - 2019

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**Title:** Stratford Tourism Alliance – Q1 Update - 2019

**Objective:** To receive an update on the Stratford Tourism Alliance's year-to-date activities and financial position for 2019.

**Background:** Stratford Tourism Alliance (STA) give regular updates to Council through the Finance & Labour Relations Sub-Committee.

**Analysis:** Representatives from STA have been invited to attend as a delegation to present the attached report.

**Financial Impact:** None noted.

**Staff Recommendation:** **THAT the Stratford Tourism Alliance report dated April 16, 2019 be received for information.**

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Michael Humble, Director of Corporate Services

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Rob Horne, Chief Administrative Officer

# Finance and Labour Relations 2019 Q1 Update



## Executive Summary

- Revenue is at typical YOY pacing at 42.5% of budget in Q1. Most partnerships renew at beginning of fiscal year, so revenue normally front-loaded in budget cycle.
- Expenses tracking well for quarter at 24.1% of budget by end of Q1. All special project, on-going expenses, and City loan repayment on track for year-end.

# 2019 Actuals vs Budget – Revenues Q1<sup>13</sup>

	Jan - Mar 19	Budget	% of Budget
Ordinary Income/Expense			
Income			
4000 · INTEREST INCOME	6.91	100.00	6.9%
4050 · MARKETING SALES	27,576.67	79,350.00	34.8%
4240 · MEMBERSHIP SALES	36,886.91	55,410.00	66.6%
4260 · PARTNERSHIPS*	288,000.00	619,000.00	46.5%
4280 · DESTINATION MARKETING FUND	8,633.04	95,000.00	9.1%
<b>Total Income</b>	<b>361,103.53</b>	<b>848,860.00</b>	<b>42.5%</b>

# 2019 Actuals vs Budget – Expenses Q1<sup>14</sup>

	Jan - Mar 19	Budget	% of Budget
<b>Expense</b>			
5100 · CONTRACT AND CONSULTING	0.00	5,500.00	0.0%
5107 · 5107 Four Season Development	0.00	2,500.00	0.0%
5633 · BANK & MERCHANT SERVICE FEES	964.25	3,800.00	25.4%
5645 · INSURANCE	0.00	3,600.00	0.0%
5660 · TRAVEL	126.14	3,900.00	3.2%
5990 · Spec Proj - RTO Animation Fund	0.00	5,000.00	0.0%
6000 · MARKETING - INTERNET	6,228.45	112,230.00	5.5%
6150 · MARKETING - PRINT	15,145.77	81,500.00	18.6%
6151 · MARKETING - RADIO	0.00	1,000.00	0.0%
6152 · MARKETING*	110.00	51,800.00	0.2%
6153 · PROFESSIONAL FEES	426.00	23,000.00	1.9%
6155 · FACILITY MAINTENANCE	232.04	4,500.00	5.2%
6480 · PAYROLL	97,947.08	451,391.00	21.7%
6540 · OFFICE EXPENDITURES	6,773.87	24,550.00	27.6%
6550 · EVENT EXPENSES	406.60	3,900.00	10.4%
7000 · TELEPHONE/COMMUNICATIONS	1,453.87	8,500.00	17.1%
7300 · Stratford Always On Project	59,632.88		
<b>Total Expense</b>	<b>189,446.95</b>	<b>786,671.00</b>	<b>24.1%</b>
<b>Other Income/Expense</b>			
<b>Other Expense</b>			
5451 · Transfer to Reserve	0.00	20,000.00	0.0%
7100 · City Repayment on Loan	0.00	42,187.50	0.0%
<b>Total Other Expense</b>	<b>0.00</b>	<b>62,187.50</b>	<b>0.0%</b>

# Community Engagement

- Current Active Partners - 191
- YOY decrease from 193 partners in March 2018
- 2019 YTD total of 6 new active partners, 13 lost





## Q1 2019 digital metrics report

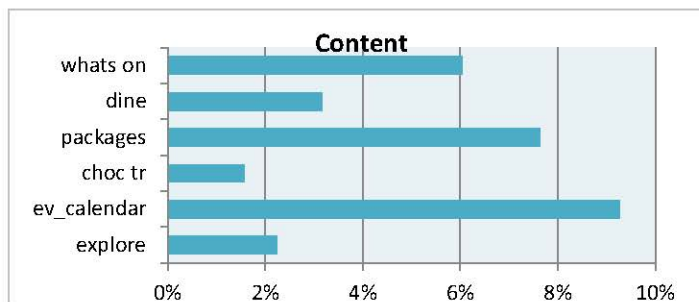
While closing the first themed campaign with our new digital agency, details to come in the next report, we can see that visits/users are not as high as in 2018 but that the pages per site visit have risen overall by 15% which speaks to the quality of site visitor that we are seeing. Social engagement is fighting back against the missing traffic-fiend that the Swan Parade became, especially with a position more free to focus on Instagram. Numbers for the other platforms have decreased. We continue to work with Chillwall on virtual concierge wording to increase usage from the current 1,200 sessions to date.



### CAMPAIGN UPDATE DIGITAL ADS Romance to be reported Q2

#### Facebook Spend outside of CPC campaigns Feb/Mar

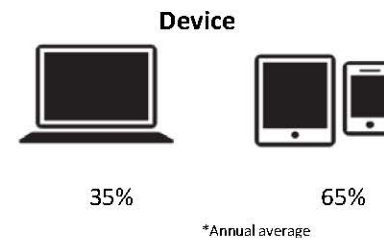
27,490 paid reach \$249.93 spend (all Google 360 cost-share)  
1,668 clicks



### Google Grants Q1 to be reported Q2

#### #StratfordAlwaysOn Food - Jan/Feb

Video views (30 sec+) 2,783 - \$0.08/view  
Facebook 55,342 reach - 126 shares  
1,163 FB page visits - 396 site visits



	Followers	Engaged Users/Mentions	Reach/Impressions
Facebook	14,984 ↑ 5%	27,030 ↓ -45%	1,173,986 ↑ 16%
Twitter	12,435 ↑ 0%	507 ↓ -33%	104,500 ↓ -67%

YOY

Instagram  
3,429 followers ↑ 31%  
23,524 impressions  
1,189 engagement in March



- YTD outreach 30 articles/blogs/radio/TV (15% of 2019 goal).
- Hosted travelstylemag/social influencer Jennifer Weatherhead weekend of March 22-24th.
- Continuous Stratford awareness presence in Toronto market on Dundas Square and PATH screens – Romance campaign in February | #nextgen teaser in March | reach 2,250,000 in GTA per month (double YOY reach)
- CTV News feature “In Your Backyard – 3 Arts videos produced and aired

## Upcoming:

- Lifestyle guru, Lynn Spence will be featured in 9 new retail videos
- “Savour Spring in Stratford” campaign launch in partnership with Stratford Festival and other community partners

- AI-powered Virtual Concierge launched successfully on Jan. 29<sup>th</sup>. Positive feedback from potential visitors, as well as frontline staff at STA and other Stratford businesses. Widget incorporated on visitor page of Stratford Summer Music. Others expressing interest.
- Agency and production company completed delivery of five new destination videos as part of a #StratfordAlwaysOn campaign for digital and traditional media, supported by Ontario Ministry of Agriculture, Food, and Rural Affairs RED Grant program.
- Surpassed goal of 10 romance campaign partner packages for a total of 15 uploaded to website.
- Renewed agreement with RTO4 and BIA on Destination Animation Project for 2019.

## Collaborations

- 25<sup>th</sup> Anniversary edition of Culinary Guide and related media campaign to be released this month. Launch event on April 29<sup>th</sup> at Richmond Station in Toronto (owned by Stratford Chef School alumnus). To be attended by over 40 culinary media writers and influencers, 5 Stratford #nextgen chefs, STA and SCS reps, and craft brewers/distillers.
- Participating in InvestStratford Smart City Value Proposition project with other city organizations.
- Partnered with SCS and DigiWriting to present Farm to Table Stratford contest in conjunction with Indigo Plum Rewards subscribers | 300 entries received – winner from Waterloo Region

## Alignment with Regional Partners

- STA AGM on May 15<sup>th</sup> at the Bruce Hotel @ 4:30 p.m.
- Participated in Ontario Ministry of Tourism, Culture, and Sport round table discussion on new Ontario Tourism Strategy on February 14<sup>th</sup>.
- Bieber map updated to complement SP Museum Bieber exhibit refresh. Adds experiential layer to Stratford that Bieber fans love.
- Working with Ontario Tourism Innovation Lab to craft think tank working group agenda for provincial conference in the fall.



Thank you for your emails and updates on the growth, expansion, and programs in Stratford, Ontario. My connection with Stratford reaches back to 1957 when I saw acres of mud being created into a tent, a building, and a picturesque city. I was a student at St Jerome's College, Kitchener, Ontario.....Later, and for several years, my wife and I would spend a week in August in Stratford to attend the plays. For some reason or other, there has been a lapse of time for our coming to Stratford. Do I miss it...Oh, YES. Am I grateful for our online connection, OH, IMMENSELY. Stay safe...and good fortune to you and to Stratford.

As ever.... Leonardo Cruoglio

Thank you!





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## MANAGEMENT REPORT

**Date:** April 16, 2019  
**To:** Finance & Labour Relations Sub-Committee  
**From:** Michael Humble, Director of Corporate Services  
**Report#:** COU19-035  
**Attachments:** investStratford 2019 - Q1 Report

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**Title:** Stratford Economic Enterprise Development Corporation (investStratford) – 2019 Quarterly Report 1

**Objective:** To update members of Sub-committee on recent and upcoming activities for the Stratford Economic Enterprise Development Corporation (investStratford).

**Background:** See attached report.

**Analysis:** Joani Gerber, Chief Executive Officer of Stratford Economic Enterprise Development Corporation, will be presenting a quarterly update to Sub-committee.

**Financial Impact:** Not applicable.

**Staff Recommendation:** **THAT the Stratford Economic Enterprise Development Corporation (investStratford) quarterly report dated April 16, 2019, be received as information.**

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Michael Humble, Director of Corporate Services

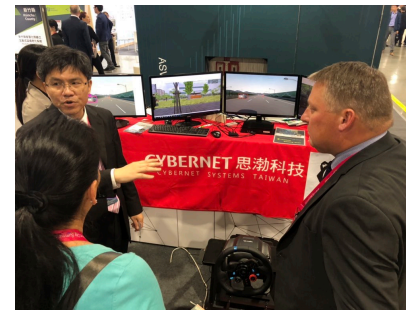
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Rob Horne, Chief Administrative Officer

## Finance & Labour Relations Sub-Committee – April 16, 2019

### Investment Attraction

- Taiwan Smart City Conference
  - Invited guests; strong trade commission support
- Site Selectors Guild
  - Worldwide Membership of Site Selectors
  - Annual Meeting/Direct Engagement – Salt Lake City
- Investing in Canada Community Fund
  - Leveraging \$10k+
  - Mission to Germany (May) & UK (June)





## Finance & Labour Relations Sub-Committee – April 16, 2019

### Business Retention & Expansion

- (Wright Business Park
  - (1 available lot
- (Crane – site design nearing completion
- (12 acre Wright Park #1 parcel – due diligence nearing completion
- (Total projects in discussion/development – 175+ acres
- (Concierge Process
  - (Seamless Land Sale Process – clearing title



## Business Creation & Entrepreneurship

- Provincial Funding:
  - Core Funding – Renewed through March 31, 2022
  - Starter Company Program – Renewed through March 31, 2022 (\$65,000 grant funds)
  - Summer Company Program – Renewed through March 31, 2022 (\$21,000 grant funds)
  - Overall \$653,418
- Downtown Revitalization:
  - Working Group Established – CCC, STA, CoC, CFDC
  - Ontario Municipal Association Funding - \$20,000

## Finance & Labour Relations Sub-Committee – April 16, 2019

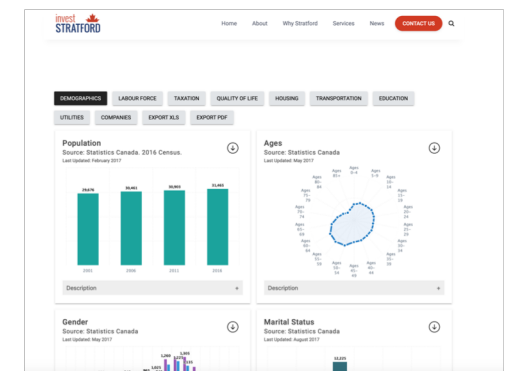
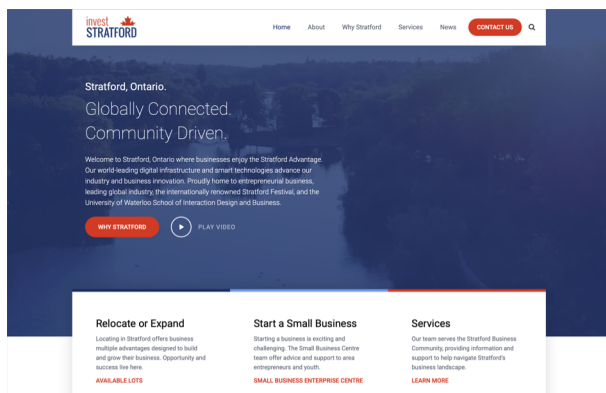
### Workforce Development

- ' Skills Advance Program
  - ' Final graduation – 60 participants through the program in 2018/19
  - ' Stakeholders willing to move it forward in the absence of Provincial funding
- ' Immigration/New Canadians
  - ' Huron-Perth Immigration Committee – settlement services; etc.
- ' Housing Roundtable
  - ' Initial meetings w/City Housing Department, Infrastructure to research & develop recommendations for Council consideration – exploring alternative “price appropriate” housing projects

## Finance & Labour Relations Sub-Committee – April 16, 2019

### Marketing & Communications

- Website Complete – Search Engine Optimization Results over '18
  - Page hits up 10%
  - Drop offs down 9% (staying longer, more navigation)
  - Organic Searches up 24%
- 60% of site selectors & companies will use websites to gather preliminary data
- Townfolio Data – community profiles, reports



**invest**  
**STRATFORD**  
Globally Connected | Community Driven



## MANAGEMENT REPORT

**Date:** April 16, 2019  
**To:** Finance and Labour Relations Sub-committee  
**From:** Janice Beirness, Manager of Financial Services  
**Report#:** COU19-033  
**Attachments:** Attachment 1 - Current Purchasing Policy P.5.1  
 Attachment 2 - Current Purchasing Policy with tracked changes  
 Attachment 3 - New Draft Purchasing Policy  
 Attachment 4 - Hiring of Consultants Policy C.2.1

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**Title:** Purchasing Policy Update

**Objective:** To update Policy P.5.1 Procurement of Goods & Services (Purchasing Policy).

**Background:** Paragraph 44.1 of the Purchasing Policy (Attachment 1) requires that it "*be reviewed every five years, with a report being made to Council*".

The revised Purchasing Policy (Attachment 3) has been updated to include best practices from the Ontario Public Buyers Association.

It has been over twenty years since the Purchasing Policy has received a legal review. Siskinds has reviewed the draft policy for compliance with all current trade agreements.

The draft policy was also reviewed by Corporate Leadership Team.

**Analysis:** Attached are the current policy, a version that tracks the recommended changes, and the new draft policy.

The policy update consisted of minor legal housekeeping changes, the addition of clauses to comply with current trade agreements, and minor revisions to include municipal best practices.

The following lists the changes in more detail:

-Clause 11 has been expanded to include clauses from the attached Hiring of Consultants Policy. With this revision, staff recommend that the Hiring of Consultants Policy be rescinded.

-Clause 24 is new and has been added as part of the legal review.

-Clause 27 is new and is mandatory as per the Comprehensive and Economic Trade Agreement (CETA).

-Clause 29 changes the dollar limit range for a request for quotation from \$5,000-\$25,000 to \$5,000-\$30,000.

-Clause 32.2 was added for audit purposes and to ensure transparency when getting 3 quotes for purchases between \$5,000-\$30,000.

-Under Bid Irregularities, Schedule "A", there are now two parts, one for electronic bidding and one for hard copy bidding.

**Financial Impact:** None.

**Staff Recommendations: THAT the management report regarding an updated Policy P.5.1 Procurement of Goods and Services, Purchasing be received;**

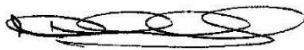
**AND THAT Council adopt the attached revised Policy P.5.1 Procurement of Goods and Services, Purchasing;**

**AND THAT Policy C.2.1 Hiring of Consultants be rescinded.**




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Janice Beirness, Manager of Financial Services




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Michael Humble, Director of Corporate Services




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Rob Horne, Chief Administrative Officer

# The Corporation of the City of Stratford

## Policy Manual

## P.5 Purchasing and Materials Management

Dept: Corporate Services

Committee: Finance and Labour Relations

### P.5.1 Procurement of Goods and Services Policy, Purchasing

Adopted: September 26, 2016

Amended:

Reaffirmed:

Related Documents: By-law 117-2016; Notice Policy

☒ Council Policy ☐ Administrative Policy



## PURCHASING POLICY

Adopted by By-law 117-2016 on September 26, 2016

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## 1. LEGISLATIVE AUTHORITY

- 1.1 The *Municipal Act, 2001*, Section 270, as amended states that a municipality and a local board shall adopt policies with respect to its procurement of goods and services, including policies with respect to:
- a) the types of procurement processes that shall be used;
  - b) the goals to be achieved by using each type of procurement process;
  - c) the circumstances under which each type of procurement process shall be used;
  - d) the circumstances under which a tendering process is not required;
  - e) the circumstances under which in-house bids will be encouraged as part of a tendering process;
  - f) how the integrity of each procurement process will be maintained;
  - g) how the interests of the municipality or local board, as the case may be, the public and persons participating in a procurement process will be protected;
  - h) how and when the procurement processes will be reviewed to evaluate their effectiveness; and
  - i) any other prescribed matter.
- 1.2 Compliance with legislation procurement activities shall be subject to all applicable Municipal policies and by-laws and specific provisions of the Municipal Act, 2001 and all other relevant Federal and Provincial legislation.
- 1.3 Pursuant to the AODA, 2005 City Council has adopted a plan that focuses on accessibility issues and the development of strategic actions to remove (where possible) and prevent barriers to access for people with disabilities. All competitive bids will incorporate measures to ensure that customer service is available to everyone, including persons with disabilities.

## 2. PURPOSE OF THE PURCHASING POLICY

- 2.1 The purpose of this policy is to set out guidelines for the municipality to ensure that all purchases of materials, supplies and services provide the lowest costs consistent with the required quality and service.

- 2.2 An open and honest process shall be maintained that is fair and impartial.
- 2.3 The purchasing policy will promote and maintain the integrity of the purchasing process and protect Council, staff and vendors involved in the process, by providing clear direction and accountabilities.

### 3. GENERAL PROVISIONS

- 3.1 No contract or purchase shall be divided to avoid any requirements of this policy.
- 3.2 The Department shall be responsible for the preparation of specifications. Such specifications are to be generic or 'as equivalent' with the City of Stratford's approval.
- 3.3 No employee or Member of Council of The Corporation of the City of Stratford or local board as specified in paragraph 4.0 will have any interest directly or indirectly, as a contracting party, partner, shareholder, surety or otherwise in any contract for goods or services or in any of the monies to be derived there from, unless by resolution of Council prior to the award of a sealed bid.
- 3.4 If a Department Head has a direct or indirect interest and is responsible for the quote or tender, the process shall be undertaken by a designate appointed by Council.
- 3.5 The Corporation does not accept bids made by a Department submitted in response to a bid solicitation where the provision of the goods or services will be provided entirely by the employees of the Corporation otherwise known as In House Bids.
- 3.6 The Corporation may participate with other entities in co-operative purchase ventures when the best interests of the Corporation will be served.
- 3.7 No tender, proposal or quotation will be accepted from any bidder inclusive of its subcontractor, which has a claim or instituted a legal proceeding or has threatened a claim or legal proceeding against the Corporation or against whom the Corporation has a claim or instituted a legal proceeding with respect to any previous contract, without prior approval by Council.

- 3.8 All departments in conjunction with Purchasing staff shall review their contracts and tender specifications for goods and services, to ensure that wherever possible and economical as determined by the Department, specifications are amended to provide for expanded use of products and services that contain post-consumer recyclable waste and/or recyclable content to the maximum level allowable, without significantly affecting the intended use or performance of the product or service. It is also recognized that a cost analysis may be required in order to ensure that the products are made available at competitive prices in order to increase the development and awareness of Environmentally Sound Products. Any recommendation to award will be in favour of a bidder meeting specifications, terms and conditions of the tender and whose tender offers the lowest ultimate cost to the City for the goods or services being tendered with due consideration of the importance of quality, service and price.
- 3.9 The disclosure of information received relevant to the issue of a bid solicitation or the award of contracts emanating from bid solicitations shall be made by the appropriate offices in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, as amended.

#### 4. APPLICATION

- 4.1 The following committees, local boards and corporations are bound by this Policy:
- The Corporation of the City of Stratford
  - Stratford City Centre Business Improvement Area
  - Perth & Stratford Housing Corporation
  - Board of Park Management

#### 5. AUTHORITY

- 5.1 The Corporation has, by the authority of Council, appointed the Manager of Financial Services to oversee all municipal purchasing. The position of Manager of Financial Services and the Purchasing Department are functions under the supervision of the Director of Corporate Services.

## 6. MANAGER OF FINANCIAL SERVICES RESPONSIBILITIES

6.1 The Manager of Financial Services is responsible for:

- a) the management, organization and administration of a city-wide, municipal purchasing function, as well as developing policies and procedures for the Purchasing function;
- b) preparing, issuing and receiving Requests for Proposal, Tenders, Quotations and Inquiries for goods and services, and for arranging the disposal of surplus goods;
- c) the correlation and unification, so far as possible, the requirements of the various departments of the Corporation, and by standardizing the kinds of goods and services used by the Corporation to the smallest quantity consistent with the needs of the various departments. This program shall be a joint enterprise among the various departments of the Corporation, with the Manager of Financial Services having the responsibility of putting the program into effect.

## 7. EMPLOYEE RESPONSIBILITIES

7.1 Each employee empowered to create, authorize and issue Purchase Orders in the name of the Corporation, is to understand that these steps constitute a commitment by the Corporation to honour the purchase of goods and services from vendors, for which the employee is to be held accountable.

## 8. CONSULTING FIRM RESPONSIBILITIES

- 8.1 Should it be deemed advantageous to engage the services of a consultant in the bidding process, the Department must ensure the consultant is aware of and follows the Corporation's purchasing policies and procedures.
- 8.2 Consultants are to provide a copy of any documentation being issued in the Corporation's name, to the Manager of Financial Services prior to issuance.

## 9. FINANCIAL ACCOUNTABILITY

- 9.1 No purchases shall be made unless approved in the annual budget or authorized by Council. Where this policy prescribes dollar limits, the contract amount shall be the estimated total acquisition cost less any applicable taxes.

## 10. CONTRACT ADMINISTRATION

- 10.1 It shall be the responsibility of the Department issuing the bid to enforce the contract terms, conditions and specifications.
- 10.2 The Manager of Financial Services in consultation with the Department Head of the requisitioning department may remove the vendor's name from the list of bidders for a period of up to two years on the basis of documented poor performance, non-performance or conflict of interest. This could include but is not limited to failure to meet completion dates, follow instructions, non-compliance with the *Occupational Health and Safety Act*, R.S.O. 1990 c.01 as amended, failure to comply with the terms and conditions of the contract. A written notice of the decision will be provided to the vendor by the Manager of Financial Services. To be reinstated on the bidders list, the vendor shall supply an updated company profile and 3 recent references which will be evaluated by the Manager of Financial Services.

## 11. REQUESTS FOR VENDOR INPUT

- 11.1 Vendors or potential vendors should not be requested to expend time, money or effort on design or in developing specifications or otherwise help define a requirement beyond the normal level of service expected from vendors.
- 11.2 When such services are required:
- a. the Manager of Financial Services shall be advised,
  - b. the contracted vendor will be considered as a consultant and unable to make an offer for the supply of goods and services,
  - c. shall be paid a fee,
  - d. and the detailed specifications shall become the property of the Corporation for use in obtaining competitive bids.

## 12. GRATUITIES

- 12.1 Regulations governing gifts and benefits to employees are governed by the City's Gifts and Benefits Policy (P.4.7).

## 13. LOCAL VENDOR/SUPPLIER PREFERENCE

- 13.1 The Corporation does not have or use any "Local Vendor or Supplier Preference" in its dealings, in order to comply with the Ontario Discriminatory Business Practices Act, R.S.O., 1990, as amended.

## 14. ADVERTISING

- 14.1 Bids shall be posted on the Corporation's website and where effective in the opinion of the Manager of Financial Services advertised in local newspapers and applicable publications or where necessary to comply with all existing statutory regulations.

## 15. BID ADDENDUM

- 15.1 In no instance shall anyone except the Manager of Financial Services or his designate, issue any verbal or written changes on a bid. All changes must be done through addendum issued with the approval of the Manager of Financial Services.

## 16. BID DEPOSITS

- 16.1 Bid deposits of no less than 5% of the estimated value of the work shall be required to accompany bid submissions for the following:
- a. All bids for municipal construction projects in excess of \$100,000.
  - b. Special contracts or scope of work as deemed appropriate by the Manager of Financial Services and the Department.

- 16.2 A bid deposit shall be provided in one of the following formats:
- a. Bid bonds or an agreement to bond issued by a bonding agency licensed to operate in the Province of Ontario naming the Corporation as the obliged.
  - b. A irrevocable letter of credit naming the Corporation as the beneficiary.
- 16.3 The City does not pay interest on any bid deposits.
- 16.4 The City reserves the right to turn the bid deposit of the successful bidder into a financial guarantee if specified in the bid documents.

## 17. BONDING REQUIREMENTS

- 17.1 Performance, labour and material, and/or maintenance bonds are required for all construction projects exceeding \$100,000 for a minimum of 50% of the bid amount. The cost for bonding is to be included in the submission price.
- 17.2 All bonds must be in the form of a digital bond or scanned pdf with the original to follow upon request or as specified in the bid document.
- 17.3 Where performance, labour and material and/or maintenance bonding are required, an agreement to bond must be included with the bid submission in the form of a digital bond or scanned pdf, with the original to follow upon request or as specified in the bid document.
- 17.4 For some smaller construction projects under \$250,000, an irrevocable letter of credit for 100% of the bid amount may be accepted in lieu of bonding if specified in the bid documents. Such irrevocable letter of credit must include terms and conditions acceptable to the City of Stratford as specified in the bid documents.

## 18. INSURANCE

- 18.1 The standard insurance minimums are as follows:
- \$2 million – commercial general liability policy
  - \$2 million – owned and non-owned automotive liability policy



\$2 million – homeowners (e.g. for rental of facilities)

\$2 million – professional errors and omissions liability (as applicable)

\$2 million – environmental impairment liability (as applicable)

The amount of the project cost - Builders Risk (as applicable)

Other Insurance Coverage – the City reserves the right to request such higher limits of insurance or other types of policies appropriate to the Agreement as the City may reasonably require from time to time.

## 19. BID ANALYSIS

- 19.1 Bid submissions shall be analyzed by the initiating Department staff and a recommendation made. The dollar amount will determine which level of approval is required. Prior to the undertaking of the work the Department is to ensure all the required documentation is in place.

## 20. BID IRREGULARITIES

- 20.1 Bid irregularities are defined in Schedule A.

## 21. BIDS WITH EQUAL TOTAL PRICES

- 21.1 If two low Bids are found to be equal in price, quality and service, the successful bidder shall be determined by coin toss. The first received bid (time and date) will be "Heads". The coin toss shall be performed by the Manager of Financial Services in the presence of a representative of the Department and the tied bidders.

## 22. PROCESS FOR REDUCING COST OF OVERBUDGET BID SUBMISSIONS

- 22.1 If the lowest tender is within 10% of the budget amount the Corporation has the right to reject all bids or negotiate with the low bidder.

- 22.2 If the lowest bid is more than 10% higher than the budget amount the Corporation has the right to reject all bids, negotiate with the lowest bidder or request potential cost savings from the three lowest bidders and any other bidders who prices are within 10% of the lowest received. All requests and submissions shall be made in writing. Listed sub trades may not be substituted in this process.
- 22.3 Once potential cost savings have been identified the Corporation has the right to request a final revised base bid submission of the bidders.
- 22.4 Requests for potential cost savings shall be limited to deletions from the scope of work and associated changes or changes of materials and finishes. The Corporation shall not request pricing of significant design modifications without the approval of the bidder(s).

## 23. BID WITHDRAWAL

- 23.1 Requests for withdrawal of a bid shall be allowed if the request is made before the closing time. This withdrawal does not disqualify a bidder from submitting another bid on the same contract.
- 23.2 Should a bidder wish to withdraw their bid subsequent to the closing time or fails to proceed with the contract, the Corporation shall first obtain legal advice. At a minimum the bidder may forfeit their bid deposit and be prohibited from bidding on future opportunities for a period of one year.
- 23.3 The City reserves the right to withdraw any posted bid documents prior to closing. Such withdrawal will be posted as an Addendum. The City also reserves the right to accept or reject any bids.

## 24. DISPUTE RESOLUTION

- 24.1 Disputes shall be resolved as follows:

Meeting between the bidder, department representative making the purchase and the Manager of Financial Services.

If (a) does not lead to a resolution the decision may be appealed to the Director of Corporate Services.

If (b) does not lead to a resolution, the decision may be appealed to Council.

## 25. DISPOSAL OF SURPLUS GOODS

- 25.1 Dept. Directors or their designates has the authority to declare goods surplus and shall, from time to time, dispose of any surplus goods not required by the Corporation by way of:
  - a) Offering to any other department
  - b) Sealed bid
  - c) sale by auction or consignment,
  - d) direct negotiation with buyers,
  - e) donation to a charitable organization.
- 25.2 No employee, member of Council or the public shall be allowed to purchase any surplus goods directly from the City.
- 25.3 Surplus goods and/or products, at the discretion of the Manager of Financial Services and Department Head involved, may become the property of the Contractor, to be disposed of at their discretion.
- 25.4 In the event that the item does not sell by any of the means provided, the department may use an alternate method of disposal. ie. scrap

## 26. SOURCE SELECTION CRITERIA

- 26.1 The City uses the following criteria for the selection of the method for the acquisition of goods/services:
  - a) total dollar value as estimated for the product/project
  - b) availability of vendors capable of supplying product.
  - c) pre-determined qualification of vendors/suppliers.
  - d) nature of need of product, such as an emergency situation which requires immediate attention.

## 27. SOURCE SELECTION METHODS AND APPROVAL AUTHORITY

27.1 The City of Stratford uses the following methods of purchasing Goods and Services:

Standard Purchases (Less than \$25,000)  
 Sealed Quotations (\$25,000 to \$100,000)  
 Sealed Tenders (Greater than \$100,000)  
 Request for Proposal  
 Request for Information  
 Request for Pre-qualification  
 Sole Source Purchases  
 Purchase at Public Auction  
 Emergency Purchases

Dollar Amount	Authorization Required	Council Process
Less than \$25,000	Any employee authorized by the Department Head	No requirement to notify Council
\$25,000 to \$100,000	Director	Notification of quotation call through Consent Agenda
Greater than \$100,000	Council	Notification of tender call through Consent Agenda, awarded through By-law

## 28. STANDARD PURCHASE

28.1 A Standard Purchase is one in the amount less than \$25,000 and is accomplished by using a Purchase Order. For purchases greater than \$5,000 but less than \$25,000, the Department is first to obtain at least three (3) written quotations whenever possible. Quotations must be submitted on the standard quotation form provided by the Purchasing Division. Quotation documents and specifications can be issued and received by e-mail or fax transmission at the Department location.

## 29. SEALED QUOTATIONS (\$25,000 to \$100,000)

29.1 Competitive sealed quotation bidding will be the source selection used when the following conditions prevail:

- a) The item to be purchased is budgeted to cost between \$25,000 and \$100,000.
- b) Clear and adequate specifications for the item or service are available or can be developed.
- c) Adequate competition is available. Two or more responsible bidders are able to satisfy the buyer's requirements and criteria set forth in the Invitation to Bid, and independently contend for the contract.
- d) Sufficient time is available for the preparation of bid invitations, advertising and preparation of bids submissions by vendors.

29.2 Quotations to be awarded are not subject to City Council approval as provided for in this policy; however, prior notification to Council through the Consent Agenda is required when seeking sealed quotes.

## 30. SEALED TENDERS (Greater than \$100,000)

30.1 Competitive sealed tender bidding will be the source selection used when the conditions in Sealed Quotations prevail, with the exception the cost of the item to be purchased is budgeted to exceed \$100,000.

30.2 Prior notification to Council through the Consent Agenda is required when calling tenders. Council approval shall be in the form of a By-Law.

## 31. REQUEST FOR PROPOSAL - (RFP)

31.1 A Request for Proposal is used when the goods/services are of a highly specialized or flexible nature. This allows the Corporation to generalize the description of the project and this in turn has the vendors provide their bids on the latest and best products in their line.

- 31.2 Prior notification to Council on the Consent Agenda is required. The evaluation criteria and process shall be approved by the Manager of Financial Services prior to the issuance of the RFP. Request for Proposals exceeding \$100,000 are to be awarded by By-law.

## 32. CONSULTANTS

- 32.1 The Corporation shall issue a Request for Proposal for architectural services for city building projects in excess of \$300,000.
- 32.2 From time to time, consultants are required to provide specialized expertise. Consultants would not involve the Corporation's ongoing legal counsel, audit services and planning advice (special projects excluded). For projects where the consultant's fees are expected to be in excess of \$60,000 for an individual project, the purchasing policy and Consultant's Policy C.2.1 "Hiring of Consultants" shall apply.

## 33. REQUEST FOR INFORMATION – (RFI)

- 33.1 A request for information is used as a general market research tool to determine what goods and service(s) are available which will meet business or operational requirements and acquisition strategies and/or may occasionally request project estimate costs for the purpose of developing a solicitation.

## 34. REQUEST FOR PRE-QUALIFICATION - (RFPO)

- 34.1 A request for pre-qualification may be conducted for any goods, service(s) or construction to select the number of qualified bidders that may bid on the subsequent procurement process. This selection does not create any contractual obligation.

### 35. SOLE SOURCE PURCHASE (Non-competitive)

35.1 A sole source supplier shall be the only acceptable vendor who is able to furnish a certain product or service. In all cases, sole source purchases will not be permitted because there is a preference for a particular brand. The Department Head, in discussion with the Manager of Financial Services, will be responsible for making all sole source determinations. In doing so, he must consider:

Is there a lack of responsible competition for a product or service that is vital to the operation of the Corporation

Does the supplier possess exclusive capabilities?

Is the product or service unique and easily established as one of a kind?

Can program requirements be modified so that competitive products or services may be used?

Are there patented or proprietary rights that fully demonstrate:

1. A feature providing a superior utility not obtainable from similar products?
2. A product is available from only one prime source, and not merchandized through wholesalers, jobbers or retailers where competition could be encouraged.
3. What would the user department do if the product or service were discontinued.
4. In the case of any sole source purchase, the Manager of Financial Services shall retain a statement signed by himself and the Head of the department requiring the good or service, which verifies that the item or service purchased can be obtained from only one supplier and therefore meet the Sole Source criteria.

### 36. EQUIPMENT REPAIRS

36.1 In the case of equipment repairs for amounts not exceeding \$25,000, the Manager shall be authorized to select from various vendors not solely on the basis of cost, but also on ability, quality or workmanship, service availability, overall performance and experience without first obtaining bids.

### 37. PURCHASE AT PUBLIC AUCTION

- 37.1 In instances where a department wishes to purchase through public auction, the Department Head shall advise the Manager of Financial Services of the conditions involved in the proposed transaction, prior to the event.

### 38. EMERGENCY PURCHASES

- 38.1 Emergencies shall exist when there is a threat to health, welfare, or safety of people/or property, or when the operation of a portion of the Corporation is in jeopardy. Purchasing shall, in various cases, delegate the purchasing function to the user department for Emergency Purchases. Control, however, will not be delegated, and the end user department will be required to forward a complete record of the emergency purchase to the Purchasing Department.

### 39. LONG-TERM TENDERS/QUOTATIONS

- 39.1 Long-term tenders and quotations may be entered into for everyday goods and services when the following conditions apply:  
To obtain satisfactory pricing.

To provide uniformity within the Corporation.

To maintain departmental inventories as required.

To reduce the amount of paperwork by eliminating day to day issuing of Purchase Orders and invoicing.

To allow each department to have accurate figures for annual budgets for operating supplies.



#### 40. ACQUISITION OF GOODS AND SERVICES FROM GOVERNMENT BODIES

- 40.1 The Department Head may acquire any goods and services from a Federal, Provincial or Municipal body, ministry, agency, board, corporation or authority when similar goods or services are not available from other sources or in the case of Provincial or federal standing agreements. The Department Head may take advantage of these opportunities if they are deemed to be in the best interest of the City.

#### 41. TECHNOLOGY SOLUTIONS

- 41.1 All technology solutions that will be connected to a City of Stratford system or network including but not limited to computer equipment and peripherals, software solutions, telephone and cellular equipment, PDA's and portable computing devices, MUST BE ordered through the Corporate Services Department of the City of Stratford. This Department will call quotations/tenders/ requests for proposals for items over \$5,000 in accordance with this Policy. Exceptions to this clause includes technology or automated solutions that do not require computer process, network or communication configuration.

#### 42. LOBBYING PROHIBITED

- 42.1 The City will be entitled to reject a bid submission if any representative or a Bidder, including any other parties that may be involved in a joint venture, consortium, subcontractor or Supplier relationship, makes any representation or solicitation to any elected official, employee or agent of the City during the blackout period.

#### 43. RETENTION OF DOCUMENTATION

- 43.1 All background information, information submitted by vendors, purchase orders and other relevant information involved in obtaining prices for goods and services shall be retained in the Department according to Records Retention By-law and this Policy.

#### 44. PURCHASING PROCESS REVIEW

- 44.1 The Manager of Financial Services may randomly review departmental purchasing related files on an on-going basis to review the effectiveness and integrity of the processes and policy adherence. Every five (5) years this policy will be reviewed, or more frequently as required, with a report being made to Council.

#### 45. PURCHASING PROCEDURES

- 45.1 Purchasing procedures as determined by the Manager of Financial Services are to be used as a guideline and for information on purchasing goods and services in compliance with this policy.

#### 46. EXEMPTION BY COUNCIL

- 46.1 A Department may request exemption from any or all the purchasing methods outlined in this policy by submission of a report requesting the same to Council. Such exemption may be granted by resolution.

### Schedule "A" - Bid Irregularities

A bid irregularity is a deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in a bid response. For the purposes of this policy, bid irregularities are further classified as "major irregularities" or "minor irregularities"

A "major irregularity" is a deviation from the bid request that effects the price, quality, quantity or delivery, and is material to the award. If the deviation is permitted, the bidder could gain an unfair advantage over competitors. A bid with major deviations must be rejected.

A "minor deviation" is a deviation from the bid request, which affects form, rather than substance. The effect on the price, quality, quantity or delivery is not material to the award. If the deviation is permitted or corrected, the bidder would not gain an unfair advantage over competitors. The bidder will be permitted to correct a minor irregularity.

#### Mathematical Errors – Corrections by Staff

Errors in mathematical extensions and/or taxes and unit prices will be corrected by the Corporation and the bidder will be notified of the correction.

#### Vendor Withdrawal

In the event that the vendor withdraws their bid due to the identification of a major irregularity, the vendor will forfeit their bid deposit and the Corporation has the right to disqualify such vendor from participating in future bid opportunities for a period of up to one year.

**BID IRREGULARITIES**

<b>ITEM</b>	<b>DESCRIPTION</b>	<b>MAJOR</b>	<b>MINOR</b>	<b>ACTION</b>
1.	late bids	X		automatic rejection
2.	bids completed in pencil	X		automatic rejection
3.	bid deposit not submitted with the bid when the bid request indicated that such deposit is required	X		automatic rejection
4.	EXECUTION OF AGREEMENT TO BOND: a. Bond company corporate seal or equivalent proof of authority to bind company or signature missing b. surety company not licensed to do business in Ontario	X  X		automatic rejection  automatic rejection
5.	EXECUTION OF BID BONDS: a. corporate seal or equivalent proof of authority to bind company or signature of the BIDDER or both missing b. corporate seal or equivalent proof of authority to bind company or signature of BONDING COMPANY missing	X  X		automatic rejection  automatic rejection
6.	unsealed tender envelopes	X		automatic rejection
7.	pricing, specifications page or signature pages missing or unsigned	X		automatic rejection
8.	insufficient financial security (ie: no deposit or bid bond or insufficient deposit)	X		where security is required and amount of security is specified in request, automatic rejection

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
9.	bid received on documents other than those provided in request	X		not acceptable unless specified otherwise in the request
10.	bid document does not acknowledge addendums issued	X		automatic rejection
11.	EXECUTION OF BID DOCUMENT proof of authority to bind is missing	X		automatic rejection
12.	part bids (all items not bid)	X or	X	acceptable unless complete bid has been specified in the request
13.	bids containing minor clerical errors		X	2 working days to correct initial errors
14.	uninitialed changes to the request documents which are minor		X	2 working days to correct initial errors
15.	alternate items bid in whole or in part		X	available for further consideration unless specified otherwise in request
16.	unit prices in the schedule of prices have been changed but not initialled		X	2 working days to correct initial errors
17.	other mathematical errors which are not consistent with the unit prices		X	2 working days to correct initial corrections
18.	pages requiring completion of information by vendor are missing or incomplete	X		automatic rejection

<b>ITEM</b>	<b>DESCRIPTION</b>	<b>MAJOR</b>	<b>MINOR</b>	<b>ACTION</b>
19.	bid documents which suggest that the bidder has made a major mistake in calculations or bid	X	X	consultation with a Solicitor on a case-by-case basis
20.	Bid qualified or restricted by a statement or alteration added to any part of the documents	X		automatic rejection
21.	Bidder did not attend a mandatory site meeting.	X		automatic rejection
22.	RFP bids do not meet any defined mandatory requirements stated in the document.	X		automatic rejection

## Schedule "B" - Definitions

In this policy, the following words will have the following meanings:

"Accessibility" – means a general term used to describe the degree of ease that something (e.g., device, service and environment) can be used and enjoyed by persons with a disability. The term implies conscious planning, design and/or effort to ensure it is barrier-free to persons with a disability, and by extension, highly usable and practical for the general population as well.

"Authority or Authorized" – the right to conduct the subject task as directed by Council either through resolution or through the approval of the annual Departmental budget (budget process and adoption.)

"Award" - when a Submission is formally accepted by the City, either by Council or by delegated authority as permitted in this policy.

"Bid" – an offer or submission received in response to a sealed quotation, sealed tender, RFP, RFI or RFPO, which is subject to acceptance or rejection.

"Bid Documents" - City documents used in connection with a Purchasing process.

"Bid Deposit" - Security to ensure that the successful Supplier on a Solicitation enters into a Contract with the City.

"Bidder" – a person or enterprise that submits a Bid.

"Blackout Period" – means the period of time from when the bid call document is released until the final award.

"Board" - An entity independent of the City, but recognized by Council as an agency which may take advantage of the City's purchasing power or process, in accordance with this Policy. Without limiting the generality of the foregoing, the Stratford City Centre Business Improvement Area, Perth & Stratford Housing Corporation, and Board of Park Management shall be considered a "Board".

"City" - The Corporation of the City of Stratford.

"Closing Time" - The place, date and time set by the Bid Documents for receipt of Responses.

"Consultants" - The supply of expertise or strategic advice that is presented for consideration and decision-making, or the guidance or execution of a specific project or undertaking and includes professional services such as engineering and architecture.

"Construction" - Construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other work, but does not include Consulting Services related to the Construction unless they are specifically included in the Purchase.

"Contract" - A document to evidence an agreement for the purchase of deliverables, and includes both a Purchase Order and a Formal Agreement.

"Corporation or "Municipality" – The Corporation of the City of Stratford.

"Department Head" - The designated lead of a City Department responsible for direction and operation of a Department.

"Designate" – An individual duly appointed to act on behalf of the authorized authority.

"Disposal" – The transfer of ownership of Property by the City by sale, trade in, donation, alternative use or destruction.

"Elected Official" – a member of the Council for the City.

"Goods" – Any moveable property, including the costs of installing, maintaining or manufacturing such moveable property, including raw materials, products, equipment and other physical objects of every kind and description, whether in solid, liquid, gaseous or electronic form, unless they are purchased in connection with Construction.

"Insurance" – the amount and type of insurance coverage required by the City, to the satisfaction of the Treasurer. Evidence of adequate insurance coverage will be by certified documents issued by an insurance company licensed to operate in the Province of Ontario, certifying that the bidder is insured in accordance with the Municipality's insurance requirements.



"Non-competitive Procurement" – acquisition of goods and services without comparing pricing or product/service information from multiple vendors.

"Procedures" – a sequence of steps or actions establishing expectations of how the policies in this by-law are to be implemented.

"Purchase" – The acquisition of Deliverables by any means, including rental and leasing, and the functions that pertain to the acquisition of Deliverables, and "Purchasing" shall have a corresponding meaning.

"Purchasing Department" – The division of the Corporate Services Department, Finance Division charged with carrying out the Purchasing function.

"Purchaser Order/PO" – A standard Contract issued by the City to a Supplier to evidence an agreement for the purchase of Deliverables.

"Quotation" – prices on specific Goods and Services obtained formally through a Request for Quotation or informally from selected sources, which are submitted verbally, in writing, by e-mail or transmitted by facsimile.

"Sealed Bid" – a Bid submitted in a sealed envelope to a specified location, by a specified date, at a specified time.

"Services" – Intangible products not having a physical presence.

"Specifications" – Description of the physical or functional characteristics or the nature of a supply, service, equipment or construction item and may include requirements for inspection, testing, or preparing a Deliverable, and may also include drawings or samples or other means of illustrating the requirements.

"Surplus Goods" – any items no longer having any use to the City or in excess of the needs of the City, inclusive but not limited to obsolete supplies, scrap materials and vehicles, but excluding real property.

"Website" - The City's website at <http://www.stratfordcanada.ca>.

## The Corporation of the City of Stratford

Policy Manual

### P.5 Purchasing and Materials Management

Dept: Corporate Services

Committee: Finance and Labour Relations

#### P.5.1 Procurement of Goods and Services Policy, Purchasing

Adopted: September 26, 2016  
Amended:  
Reaffirmed:  
Related Documents: By-law 117-2016; Notice Policy  
☒ Council Policy ☐ Administrative Policy



## PURCHASING POLICY

Adopted by By-law 117-2016 on September 26, 2016

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## 1. LEGISLATIVE AUTHORITY

- 1.1 The *Municipal Act, 2001*, Section 270, as amended states that a municipality and a local board shall adopt policies with respect to its procurement of goods and services, including policies with respect to:
- a) the types of procurement processes that shall be used;
  - b) the goals to be achieved by using each type of procurement process;
  - c) the circumstances under which each type of procurement process shall be used;
  - d) the circumstances under which a tendering process is not required;
  - e) the circumstances under which in-house bids will be encouraged as part of a tendering process;
  - f) how the integrity of each procurement process will be maintained;
  - g) how the interests of the municipality or local board, as the case may be, the public and persons participating in a procurement process will be protected;
  - h) how and when the procurement processes will be reviewed to evaluate their effectiveness; and
  - i) any other prescribed matter.
- 1.2 Compliance with legislation procurement activities shall be subject to all applicable Municipal policies and by-laws and specific provisions of the Municipal Act, 2001 and all other relevant Federal and Provincial legislation including any international standards implemented by the Federal Government.
- 1.3 Pursuant to the ~~AODA~~, Ontarions with Disabilities Act ("ODA), 2001 as may be amended from time to time, Ontarians with Disabilites Act 2005 ("AODA) as may be amended from time to time and Ontario Regulation 191/11 under the AODA2005, the City Council has adopted shall consider accessibility criteria and features when procuring or acquiring goods, services, or facilities , except where it is not practicable to do so. In which case, an explanation shall be provided. ~~a plan that focuses on accessibility issues and the development of strategic actions to remove (where possible) and prevent barriers to access for people with disabilities.~~ All competitive bids will

incorporate measures to ensure that customer service is available to everyone, including persons with disabilities.

- 1.31.4 The Corporation of the City of Stratford must be prepared to manage and respond to extraordinary circumstances from time to time that require immediate decision making to prevent or alleviate serious delay, protecting lives, infrastructure and property, protect the environment , promote economic stability and help ensure the continuance of critical assets and government to respond to any emergency whether natural, technological and human-caused with or without warning as required under the provincial legislation Emergency Management and Civil Protection Act, R.S.O. 1990, c. E.9 (as amended)

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## 2. PURPOSE OF THE PURCHASING POLICY

- ~~2.1 The purpose of this policy is: to set out guidelines for the municipality to ensure that all purchases of materials, supplies and services provide the lowest costs consistent with the required quality and service.~~

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- 2.1 2.1.1 to set out guidelines for the City to ensure that all purchases of materials, supplies and services provide the lowest costs consistent with the required quality and service

2.1.2 to describe the roles, responsibilities and authorities of the City's employees, officers, and elected officials in carrying out the City's Procurement operations.

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2.1.3 to maintain an open and honest process that is fair and impartial, non-discriminatory, fosters equal treatment, and is transparent and accountable.

2.1.4 to promote and maintain the integrity of the purchasing process and protect Council, staff and vendors involved in the process, by providing clear direction and accountabilities, and

2.1.5 to comply with the requirements of Section 270(1) of the Municipal Act and Provincial , Federal and International laws and legislation with respect to Procurement.

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~~2.2 An open and honest process shall be maintained that is fair and impartial.~~

~~2.3 The purchasing policy will promote and maintain the integrity of the purchasing process and protect Council, staff and vendors involved in the process, by providing clear direction and accountabilities.~~

### 3. City Conduct

3.1 The City shall conduct its procurement activities in a manner so as to maintain public trust.

3.2 All procurement activities must be conducted in accordance with:

- a. The City of Stratford's Employee Code of Conduct;
- b. The City's Code of Conduct for Council Members and Local Board Members;
- c. The Municipal Conflict of Interest Act, R.S.O. 1990, c.M. 50, as applicable
- d. The Canadian Free Trade Agreement consolidated 2017; and
- e. Where applicable other trade agreements that applies to Municipalities such as Canad-US Agreement on Government Procurement (CUSPA), Trade & Cooperation Agreement between Ontario and Quebec (TACOQ) and the Canada-European Union Comprehensive Economic and Trade Agreement (CETA).

3.3 No employee or Member of Council of the Corporation of the City of Stratford or local board as specified in this policy, will have any interest directly or indirectly, as a contracting party, partner, shareholder, surety or otherwise in any contract for goods or services or in any of the monies to be derived there from , unless by a resolution of Council prior to the award of a sealed bid.

3.4 If the City determines that a Director or Manager of a City department has a direct or indirect interest and is responsible for the bid, the process shall be undertaken by a designate approved by the Manager of Financial Services ("MFS"). The Corporation does not accept bids made by a Department submitted in response to a bid solicitation where the provision of the goods or services will be provided entirely by the employees of the Corporation known as "In House Bids".

3.5 The Corporation does not have or use any "Local Vendor or Supplier Preference" in its dealings, in order to comply with the Ontario Discriminatory Business Practices Act, R.S.O., 1990, as amended, the Canadian Free Trade Agreement, 2017 c.5 as may be

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amended from time to time; and the Competition Act R.S.C. 1985, c.C-34, as may be amended from time to time.

3.6 The Corporation does not tolerate any form of discrimination and forbids the granting of a preference to a local bidder and will uphold the regulatory requirements as set out in the Ontario Discriminatory Business Practices Act, R.S.O. 1990, c.D.12, as may be amended from time to time.

3.7 The Corporation of the City of Stratford adopts the ethical considerations of the Code of Ethica adapted from the Ontario Public Buyer's Association in its purchasing process.

3.8 The MFS is authorised to participate in and/or join in co-operative purchasing arrangements with other municipalities, local boards and other public commissions and agencies where the best interests of the Municipality will be served. Where such participation is at variance with the Municipality's Purchasing Policy, Council shall first authorize any participation.

#### 4. Suppliers Conduct

4.1 The Corporation of the City of Stratford expects its Suppliers to act in a manner with integrity and conduct business in a ethical manner.

4.2 The City may refuse to engage in a business transaction or may terminate a business transaction with any Bidder that has including but without limiting the generality of the foregoing engaged in any illegal or unethical bidding practices, has or is in a potential conflict of interest, has created an unfair advantage in the procurement process or fails to adhere and carry out ethical business practices.

4.3 No bid or offer will be accepted from any Bidder, inclusive of the Bidder's subcontractors, who has a claim or has instituted a legal proceeding against the City, or against whom the City has a claim or instituted a legal proceeding, without prior approval of Council. For purposes of this provision, where such Bidder is a corporation, bidder shall include any non-arm's length corporation of the Bidder.

4.4 It is the responsibility of all Bidders participating in a procurement process to declare any perceived, potential, anticipated, or actual conflict of interest.

4.5 If a Bidder has been engaged to participate in the development of a solicitation document or the specifications for inclusion in a solicitation document, the Bidder will not be

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allowed to make a response directly or indirectly to the solicitation document. Refer to Section 14.

4.6 The City abides by the Competition Act R.S.C. 1985, c. C-34, as may be amended from time to time, and will report any suspected cases of collusion or other bid violations to the Competition Bureau and or other relevant lawful authorities.

4.7 The City shall be entitled to reject a bid submission if any representative or a Bidder, including any other parties that may be involved in a joint venture, consortium, subcontractor or Supplier relationship, makes any representation or solicitation to any elected official, employee or agent of the City during the blackout period.

## 5.0 CONFLICT OF INTEREST

5.1 No Goods or Services shall be purchased by the City from any officer or employee of the City or any member of Council or from any business in which any officer or employee of the City or any member of Council is an officer or such business without first declaring and advising of the conflict of interest at the time of submission.

## 6.0 APPLICATION OF POLICY

6.1 All City departments, elected City officials, committees and boards of the City shall acquire Goods and Services in accordance with this Policy and not otherwise excluding the City's Library Board and the Police Services Board.

6.2 No person shall have the right to acquire Goods and Services or to otherwise bind the City in respect of the acquisition of Goods and Services, except in accordance with this Policy.

6.3 The rules in the section 6 shall not apply where the funds, approval of borrowing, or the provision of other financial assistance is mandated by statute.

## 7.0 ADMINISTRATION

7.1 All invoices and accounts from vendors shall be authorized prior to payment. Authorization shall occur in the form of signatures of the Department Head or Designate and shall include staff denoting clerical accuracy, budgetary or specific Resolution approval, tender/quote number and an indication that Goods and Services were received in good order. These required signatures will be deemed to authorize payment.

7.2 Prior to City Council adopting the operating and capital budget, no person is authorized to purchase any Goods or Services other than those goods or services required

on a recurring basis for the day to day operations of the City, without the prior approval of Council.

7.3 The Treasurer is authorized to pay for Goods and Services purchased in accordance with this Policy and shall not pay for any such Goods and Services unless otherwise provided in this Policy or within the time commitments specified in the purchasing agreement or contract.

7.4 No prepayment for all or any part of Goods and Services shall be made unless the contract specifically provides for such prepayment.

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## 8. CAO OR DESIGNATE RESPONSIBILITIES

8.1 When non-compliance of this policy has been identified, the CAO or Designate shall direct the non-compliant department to get approval for their purchase by Council resolution.

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## 9. MANAGER OF FINANCIAL SERVICES RESPONSIBILITIES

9.1 The Manager of Financial Services MFS is responsible for:

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- a) the management, organization and administration of a city-wide, municipal purchasing function, as well as developing policies and procedures for the Purchasing function:
- b) preparing, issuing and receiving Requests for Proposal, Tenders, Quotations and Inquiries for goods and services, and for arranging the disposal of surplus goods:
- c) e) —the correlation and unification, so far as possible, the requirements of the various departments of the Corporation, and by standardizing the kinds of goods and services used by the Corporation to the smallest quantity consistent with the needs of the various departments. This program shall be a joint enterprise among the various departments of the Corporation, with the Manager of Financial Services having the responsibility of putting the program into effect.
- d. notifying the CAO and Treasurer of non-compliance of this Policy

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## 10. EMPLOYEE RESPONSIBILITIES

10.1 All employees are encouraged to develop and advance positive professional cooperative relationships with Bidders and within their Department, to seek consultation from their superiors in respect of any questions regarding the application or interpretation of this Policy. ~~Each employee empowered to create, authorize and issue Purchase Orders in the name of the Corporation, is to understand that these steps constitute a commitment by the Corporation to honour the purchase of goods and services from vendors, for which the employee is to be held accountable.~~

10.2 Any employee who becomes aware and or suspects a conflict of interest in relation to any solicitation or purchase shall immediately report to their Department Supervisor/Manager or Director.

10.3 No employee shall knowingly cause or permit anything by their actions and or communication to anyone that does or is likely to cause any supplier to have an unfair advantage or disadvantage in any purchasing opportunity.

10.4 City employees shall be required to adhere to any City, legal, or other statutory legislation including Trade Agreements, and the City policies and failure to do so may result in corrective action including progressive discipline up to and including discharge based on the circumstances.

10.5 All employees granted purchasing authority must be first trained on proper use and interpretation of this Policy and the applicable By-laws and legislation as determined by the Director of the department of which they are employed.

## 11. CONSULTING FIRM RESPONSIBILITIES

11.1 Should it be deemed advantageous to engage the services of a consultant in the bidding process, the Department must ensure the consultant is aware of and follows the Corporation's purchasing policies and procedures.

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11.2 Consultants are to provide a copy of any documentation being issued in the Corporation's name, to the Manager of Financial Services prior to issuance.

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11.3 From time to time, consultants are required to provide specialized expertise on various matters involving Engineers, Architects and Management Professionals. Consultants would not involve the City's ongoing legal counsel, audit services and planning advice (special projects excluded). Approval to proceed to engage consultants must be received either in budget approval or by resolution of Council.

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11.3.1 For projects where the Consultant's fees are expected to be less than \$60,000 for an individual project, the Department may directly hire the Consultant without issuing an RFP or Sealed Quotation.

11.3.2 For projects where the Consultant's fees are expected to be in excess of \$60,000, for an individual project, the following procedure will apply:

11.3.2.1 The Department will issue an RFP, a Sealed Quotation or a Sealed Tender.

11.3.2.2 If the cost of the Consultant is expected to exceed \$100,000, the Mayor and two(2) members of Council, as well as two (2) members of staff, will sit on the evaluation committee. The Mayor may ask that Council select a member to sit in his or her stead.

11.3.2.3 If the project is a continuation of previous work for which there is an obvious economic benefit to continue with the same consultant, the Director may see Council's permission to request for a single proposal for the project, which proposal must then receive Council approval.

## 12. FINANCIAL ACCOUNTABILITY

12.1 No purchases shall be made unless approved in the annual budget or authorized by Council. Where this policy prescribes dollar limits, the contract amount shall be the estimated total acquisition cost less any applicable taxes.

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## 13 CONTRACT ADMINISTRATION

13.1 It shall be the responsibility of the Department issuing the bid documents to enforce the contract terms, conditions and specifications.

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13.2 The Corporate Department will ensure that all Tender/Bid notices are available to suppliers free of charge and in compliance with Article 506 Subsection 6. (a) through (l) Canada's Free Trade Agreement c. 2017, as may be amended from time to time and any such articles that may be deemed applicable.

13.3 The Manager of Financial Services in consultation with the Department Head and or with the City's solicitor, may permit the exclusion of a Supplier based on the following grounds if there is supporting evidence:

- bankruptcy or insolvency
- false declarations
- significant or persistent deficiencies in performance of any substantive requirement or obligation under a prior contract or contracts
- final judgements in respect of serious crimes or other serious offences
- professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the Supplier or
- failure to pay taxes

13.4 The Supplier excluded by the MFS in accordance with the provisions of this policy shall be excluded for a period deemed by the MFS which can be up to a period of two (2) years ("Exclusion Period"). To be reinstated after the Exclusion Period on the bidders list, the vendor shall supply an updated company profile and 3 recent references to the MFS for review and consideration..

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#### 14. REQUESTS FOR VENDOR INPUT

14.1 Bidders or potential Bidders should not be requested to expend time, money or effort on design or in developing specifications or otherwise help define a requirement beyond the normal level of service expected from Bidders.

14.2 When such services as contemplated in this section are required:

- a. the MFS shall be advised,
- b. the contracted vendor will be considered as a consultant and unable to make an offer for the supply of goods and services, as per Article 509 of the Canadian Free Trade Agreement, as may be amended from time to

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time, Article 19.9 of the Comprehensive Economic and Trade Agreement, as may be amended from time to time, and Article 9.11 of the Trade and Cooperation Agreement Between Ontario and Quebec, as may be amended from time to time

- c. the Bidder providing the services shall be paid a fee,
- d. and the detailed specifications shall become the property of the Corporation for use in obtaining competitive bids.

### ~~3-~~ 15. GENERAL PROVISIONS

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~~3.1~~ 15.1 No contract or purchase shall be divided to avoid any requirements of this policy.

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~~3.2~~ 15.2 The Department shall be responsible for the preparation of specifications. Such specifications are to be generic or 'as equivalent' with the City of Stratford's approval. All dollar amounts referenced are in Canadian dollars and prices stated are before applicable taxes.

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~~3.3~~ No employee or Member of Council of The Corporation of the City of Stratford or local board as specified in paragraph 4.0 will have any interest directly or indirectly, as a contracting party, partner, shareholder, surety or otherwise in any contract for goods or services or in any of the monies to be derived there from, unless by resolution of Council prior to the award of a sealed bid.

~~3.4~~ 15.3 If a Department Head has a direct or indirect interest and is responsible for the quote or tender, the process shall be undertaken by a designate appointed by Council. Any reference to a day refers to a calendar day.

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~~3.5~~ 15.4 The Corporation does not accept bids made by a Department submitted in response to a bid solicitation where the provision of the goods or services will be provided entirely by the employees of the Corporation otherwise known as In House Bids. All Bidders must respect, comply and carry out all requirements as regulated by the Occupational Health and Safety Act, R.S.O. 1990, c.0.1 as my be amended from time to time and the Workplace Safety and Insurance Act, SO1997, c. 16, as may be amended from time to time,

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~~3.6~~ 15.5 The Corporation may participate with other entities in co-operative purchase ventures when the best interests of the Corporation will be served. All departments shall review their bid specifications for the Goods and Services, to ensure that they meet the applicable requirements of any trade agreement and policies of the City, and wherever possible specifications are amended to provide for expanded use of products and services that contain post-consumer recyclable waste and/or recyclable content to the maximum level allowable, without significantly affecting the intended us or performance of the product or service. It is also recognized that a cost analysis may be required in order to ensure that the products are made available at competitive prices. The department shall also consider

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opportunities wherever possible to increase the development and awareness of Environmentally Sound Products, wherever practicable and possible.

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~~3.73.2 15.6 No tender, proposal or quotation will be accepted from any bidder inclusive of its subcontractor, which has a claim or instituted a legal proceeding or has threatened a claim or legal proceeding against the Corporation or against whom the Corporation has a claim or instituted a legal proceeding with respect to any previous contract, without prior approval by Council.~~ Excluding RPS's any recommendation to award a bid by a department will be in favour of a Bidder meeting specifications, terms and conditions of the bid and whose bid offers the lowest ultimate cost to the City for the goods or services being solicited with due consideration for the importance of quality, service and price.

~~3.8 All departments in conjunction with Purchasing staff shall review their contracts and tender specifications for goods and services, to ensure that wherever possible and economical as determined by the Department, specifications are amended to provide for expanded use of products and services that contain post-consumer recyclable waste and/or recyclable content to the maximum level allowable, without significantly affecting the intended use or performance of the product or service. It is also recognized that a cost analysis may be required in order to ensure that the products are made available at competitive prices in order to increase the development and awareness of Environmentally Sound Products. Any recommendation to award will be in favour of a bidder meeting specifications, terms and conditions of the tender and whose tender offers the lowest ultimate cost to the City for the goods or services being tendered with due consideration of the importance of quality, service and price.~~

~~3.9~~ 15.7 The disclosure of information received relevant to the issue of a bid solicitation or the award of contracts emanating from bid solicitations is subject to the provisions of ~~shall be made by the appropriate offices in accordance with~~ the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, as may be amended from time to time. The City will make reasonable attempts to safeguard the confidentiality of any identified successful Bidder, but will not be held liable in any way whatsoever if such information is inadvertently disclosed.

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#### ~~4. APPLICATION~~

~~4.1 The following committees, local boards and corporations are bound by this Policy:~~

- ~~— The Corporation of the City of Stratford~~
- ~~— Stratford City Centre Business Improvement Area~~
- ~~— Perth & Stratford Housing Corporation~~
- ~~— Board of Park Management~~

#### ~~5. AUTHORITY~~

~~5.1 The Corporation has, by the authority of Council, appointed the Manager of Financial Services to oversee all municipal purchasing. The position of Manager of Financial Services and the Purchasing Department are functions under the supervision of the Director of Corporate Services.~~

## ~~6. MANAGER OF FINANCIAL SERVICES RESPONSIBILITIES~~

### ~~6.1 The Manager of Financial Services is responsible for:~~

- ~~a)i: the management, organization and administration of a city wide, municipal purchasing function, as well as developing policies and procedures for the Purchasing function;~~
- ~~b)i: preparing, issuing and receiving Requests for Proposal, Tenders, Quotations and Inquiries for goods and services, and for arranging the disposal of surplus goods;~~
- ~~c) the correlation and unification, so far as possible, the requirements of the various departments of the Corporation, and by standardizing the kinds of goods and services used by the Corporation to the smallest quantity consistent with the needs of the various departments. This program shall be a joint enterprise among the various departments of the Corporation, with the Manager of Financial Services having the responsibility of putting the program into effect.~~

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## ~~7.6. EMPLOYEE RESPONSIBILITIES~~

- ~~7.1 Each employee empowered to create, authorize and issue Purchase Orders in the name of the Corporation, is to understand that these steps constitute a commitment by the Corporation to honour the purchase of goods and services from vendors, for which the employee is to be held accountable.~~

## ~~8.14. CONSULTING FIRM RESPONSIBILITIES~~

- ~~8.1a: Should it be deemed advantageous to engage the services of a consultant in the bidding process, the Department must ensure the consultant is aware of and follows the Corporation's purchasing policies and procedures.~~

- ~~8.2a: Consultants are to provide a copy of any documentation being issued in the Corporation's name, to the Manager of Financial Services prior to issuance.~~

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## 9. FINANCIAL ACCOUNTABILITY

9.1 No purchases shall be made unless approved in the annual budget or authorized by Council. Where this policy prescribes dollar limits, the contract amount shall be the estimated total acquisition cost less any applicable taxes.

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## 10. CONTRACT ADMINISTRATION

10.1 It shall be the responsibility of the Department issuing the bid to enforce the contract terms, conditions and specifications.

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10.2 The Manager of Financial Services in consultation with the Department Head of the requisitioning department may remove the vendor's name from the list of bidders for a period of up to two years on the basis of documented poor performance, non-performance or conflict of interest. This could include but is not limited to failure to meet completion dates, follow instructions, non-compliance with the *Occupational Health and Safety Act*, R.S.O. 1990 c.01 as amended, failure to comply with the terms and conditions of the contract. A written notice of the decision will be provided to the vendor by the Manager of Financial Services. To be reinstated on the bidders list, the vendor shall supply an updated company profile and 3 recent references which will be evaluated by the Manager of Financial Services.

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## 11. REQUESTS FOR VENDOR INPUT

11.1 Vendors or potential vendors should not be requested to expend time, money or effort on design or in developing specifications or otherwise help define a requirement beyond the normal level of service expected from vendors.

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11.2 When such services are required:

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- a. the Manager of Financial Services shall be advised;
- b. the contracted vendor will be considered as a consultant and unable to make an offer for the supply of goods and services;

- ~~c. shall be paid a fee;~~
- ~~d. and the detailed specifications shall become the property of the Corporation for use in obtaining competitive bids.~~

## ~~12. GRATUITIES~~

- ~~12.1 Regulations governing gifts and benefits to employees are governed by the City's Gifts and Benefits Policy (P.4.7).~~

## ~~13. LOCAL VENDOR/SUPPLIER PREFERENCE~~

- ~~13.1 The Corporation does not have or use any "Local Vendor or Supplier Preference" in its dealings, in order to comply with the Ontario Discriminatory Business Practices Act, R.S.O., 1990, as amended.~~

## ~~14.~~ 16 ADVERTISING

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- ~~16.1~~ Bids shall be posted on the Corporation's website and where effective in the opinion of the ~~Manager of Financial Services~~ Department Head advertised in local newspapers and applicable publications or where necessary to comply with all existing statutory regulations.

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## ~~14.1~~ 16.2 The timing and length of advertising shall be defined by the Department Head.

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## ~~15.~~ 17 BID ADDENDUM

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- ~~17.1~~ In no instance shall anyone except the Manager of Financial Services or ~~his~~ designate, issue any verbal or written changes on a ~~B~~bid. All changes shall be in accordance with the bid analysis review and ~~an must be done through~~ addendum issued with the approval of the Manager of Financial Services.

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- ~~15.1~~ 17.2 A notification of an addendum shall be forwarded to each Bidder that has received the bid documents including but not limited to informal quotations, by bids&tenders, or by Department staff in the form of a cover letter to those that made a direct application with the City.

~~16.~~ 18 BID DEPOSITS

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~~16.1~~ 18.1 Bid deposits of no less than 5% of the estimated value of the work shall be required to accompany bid submissions for the following:

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- a. All bids for ~~municipal~~ City construction projects in excess of \$100,000;  
and/or.
- b. Special contracts or scope of work as deemed appropriate by the Manager of Financial Services and the Department.

~~16.2~~ 18.2 A bid deposit shall be provided in one of the following formats:

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a. Bid bonds ~~or an agreement to bond~~ issued by a bonding agency licensed to operate in the Province of Ontario naming the ~~Corporation~~ City as the obliged.

b. A irrevocable letter of credit naming the Corporation as the beneficiary.

~~b. —~~ c. Certified cheque, bank draft or money order made payable to The Corporation of the City of Stratford.

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~~16.3~~ 18.3 The City ~~does shall~~ not pay interest on any bid deposits.

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~~16.4~~ 18.4 The City reserves the right to turn the bid deposit of the successful bidder into a financial guarantee if specified in the bid documents.

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## ~~17.~~ 19. BONDING REQUIREMENTS

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~~17.1~~ 19.1 Agreement to Bond, Performance, labour and material, and/or maintenance bonds are required for all construction projects exceeding \$100,000 for a minimum of 50% of the bid amount. The cost for bonding is to be included in the submission price.

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~~17.2 — All bonds must be in the form of a digital bond or scanned pdf with the original to follow upon request or as specified in the bid document.~~

~~17.3 — Where performance, labour and material and/or maintenance bonding are required, an agreement to bond must be included with the bid submission in the form of a digital bond or scanned pdf, with the original to follow upon request or as specified in the bid document.~~

19.2 A Bond can be either a certified cheque, bank draft, money order and or bonding documents issued by an approved Guarantee Company properly licenced in the Province of Ontario, on Canadian Construction Documents Committee (CCDC) bond forms or similar recognized form of agreement acceptable to the City.

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~~17.4~~ 19.3 For some smaller construction projects under \$250,000, an irrevocable letter of credit for 100% of the bid amount may be accepted in lieu of bonding if specified in the bid documents. Such irrevocable letter of credit must include terms and conditions acceptable to the City of Stratford as specified in the bid documents.

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## ~~18.~~ 20. INSURANCE

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### ~~18.1~~ 20.1 The standard insurance minimums are as follows:

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\$2 million – commercial general liability policy  
 \$2 million – owned and non-owned automotive liability policy  
 \$2 million – homeowners (e.g. for rental of facilities)  
 \$2 million – professional errors and omissions liability (as applicable)  
 \$2 million – environmental impairment liability (as applicable)  
 The amount of the project cost - Builders Risk (as applicable)

Other Insurance Coverage – the City reserves the right to request such higher limits of insurance or other types of policies appropriate to the Agreement as the City may reasonably require from time to time.

## ~~19.~~ 21. BID ANALYSIS

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21.1 Bid submissions shall be analyzed by the initiating Department staff and a recommendation made. The dollar amount ([contract term](#)) will determine which level of approval is required. Prior to the undertaking of the work the Department is to ensure all the required documentation is in place.

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21.2 The Corporate Department shall not make changes to submissions received regardless of requests received by telephone, facsimile or letter and shall not be considered or included in or during the competitive process in any way. Any corrections by the Bidder must be made by withdrawal of submission and re-submission with a new Bid prior to closing through bids&tenders.

21.3 The MFS and Corporate Department are not bound to accept the lowest price and may make an award to another Bidder if, in the City's sole opinion and discretion, having regard for trade treaty obligations, delivery time, service and quality of goods, or outstanding claims that it would be in the best interests of the City to do so.

~~19.1~~ 21.4 A Supplier whose Bid is late if the delay is due solely to an administrative error on the part of the City, the Supplier will be given an opportunity to correct unintentional form errors after the deadline for the bid, and the same opportunity will be provided to all participating Suppliers.

## 22. BIDS WITH EQUAL TOTAL PRICES

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~~If two low Bids are found to be equal in price, quality and service, the successful bidder shall be determined by coin toss. The first received bid (time and date) will be "Heads". The coin toss shall be performed by the Manager of Financial Services in the presence of a representative of the Department and the tied bidders.~~

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22.1 The City in acting in an open, fair and transparent manner will, based on the consideration set out in this policy, make a determination to award, when two or more Bidders have the exact same total bid price and meet the requirements set out in the bid document to include but not limited to the lowest price. The determining factors for the award shall be based on the considerations set out in the section.

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22.2 The Bids having two equal prices will be reviewed in accordance with the following factors and consideration given to the Bid having the best anticipated favourable outcome to the City;

Goods: The Bidder having the preferred delivery date; and

Services: The Bidder being in the best position to offer better after sales services, if necessary.

22.3 If after evaluation of the factors set out above the two Bidders remain tied, then the City will notify the Bidders that the successful Bidder will be determined by a coin toss.

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Coin Toss Procedure

- a. The Bidders will be required to attend the City on the required date and time set by the City for the coin toss. If one Bidder fails to attend the coin toss, the award will automatically go to the Bidder present.
- b. When both Bidders are present, the Bidder with the first received bid to the City (time and date) will be 'Heads'. The coin toss shall be performed by the MFS in the presence of a representative of the Department and the tied Bidders.

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## ~~20-23~~ BID IRREGULARITIES

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~~20-4~~ 23.1 Bid irregularities are defined in Schedule A.

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## ~~21. BIDS WITH EQUAL TOTAL PRICES~~



~~21.1 If two low Bids are found to be equal in price, quality and service, the successful bidder shall be determined by coin toss. The first received bid (time and date) will be "Heads". The coin toss shall be performed by the Manager of Financial Services in the presence of a representative of the Department and the tied bidders.~~

## 24. Reporting to Council

24.1 City Council must approve the purchase of Deliverables where:

- a. The purchase price is greater than \$100,000 not including taxes;
- b. Any contract requiring approval from the Federal or Provincial Governments or any other Government Agencies;
- c. Any contract prescribed by a statute to be awarded by Council
- d. Where the award under \$100,000 is not being offered to the top ranked Bidder;
- e. The contract includes complex financing terms;
- f. Where prior budget approval has not been obtained;
- g. Where the total contract value exceeds the Council approved budget by more than ten percent (10%) or ten thousand (\$10,000) dollars; whichever is lower;
- h. Where a change in scope of the project occurs that was not part of the contingency plan and requires the procurement of additional deliverables, and where the overall costs exceeds the Council approved budget by more than ten percent (10%) or ten thousand (\$10,000) dollars; whichever is lower;
- i. Where the term, including any and all possible extension years of a proposed service contract is for an aggregate period longer than five (5) years;
- j. In any other instance in which the MFS and the CAO acting together, whether in consultation with legal services, feels it would be in the best interests of the City to do so; or
- k. Where Council has directed staff to provide a report for approval.

## ~~22.25. PROCESS FOR REDUCING COST OF OVERBUDGET BID SUBMISSIONS~~ Bid Negotiation

~~22.4~~ 25.1 If the lowest tender is within 10% of the budget amount the Corporate Department ~~ion~~ has the right to reject all bids or negotiate with the low bidder.

25.2 In the event potential cost savings have been identified, the Corporation has the right to request a final revised base bid submission of all Bidders.

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~~22.2—25.3~~ If the lowest bid is more than 10% higher than the budget amount the bid shall be reissued. ~~Corporation has the right to reject all bids, negotiate with the lowest bidder or request potential cost savings from the three lowest bidders and any other bidders who prices are within 10% of the lowest received. All requests and submissions shall be made in writing. Listed sub trades may not be substituted in this process.~~

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~~22.3~~ Once potential cost savings have been identified the Corporation has the right to request a final revised base bid submission of the bidders.

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~~22.4~~ 25.4 Requests for potential cost savings shall be limited to deletions from the scope of work and/or associated changes or changes of materials and finishes. The Corporate Department ~~ion~~ shall not request pricing of significant design modifications. ~~without the approval of the bidder(s).~~

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## ~~23-26.~~ BID WITHDRAWAL

26.1 Withdrawal requests must be made through bids&tenders.

~~23.1~~ 26.2 Requests for withdrawal of a bid shall be allowed if the request is made before the closing time. This withdrawal does not disqualify a bidder from submitting another bid on the same contract.

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~~23.2~~ 26.3 Should a bidder wish to withdraw their bid subsequent to the closing time or fails to proceed with the contract, the ~~Corporation~~ City shall first obtain legal advice. At a minimum the bidder may forfeit their bid deposit and be prohibited from bidding on future opportunities for a period of ~~up to one~~ two years.

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26.4 The City reserves the right to withdraw/cancel any posted bid documents prior to closing. Such withdrawal will be posted as an Addendum. ~~The City also reserves the right to accept or reject any bids.~~

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~~23.3~~ 26.5 After closing the City reserves the right to not award the bid and terminate the bid on bids&tenders.

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## ~~24.~~ DISPUTE RESOLUTION

~~24.1—~~ Disputes shall be resolved as follows:

~~Meeting between the bidder, department representative making the purchase and the Manager of Financial Services.~~

~~If (a) does not lead to a resolution the decision may be appealed to the Director of Corporate Services.~~

~~If (b) does not lead to a resolution, the decision may be appealed to Council.~~

## 27. Procurement Debriefings/Protests

27.1 All Bidders have the right to protest the outcome of the procurement process in accordance with the provisions of this policy.

### Unsuccessful Vendor Debriefing Opportunity

27.2 Unsuccessful Bidders may request a "debriefing" within thirty (30) calendar days from notice of award posting date by contacting the City Purchasing Clerk in writing.

27.3 The City Purchasing Clerk will attempt to schedule an email or telephone debriefing with the unsuccessful Bidder and the Project Manager within fourteen (14) business days of the request.

27.4 The Project Manager is to make notes during the telephone debriefing and the outcome, to include listing any documents relied upon during the call with the unsuccessful Bidder. These notes are to be kept with the bid documents and filed in accordance with the Retention By-law.

### Formal Protest after Debriefing

27.5 A formal protest must be made by the Supplier with regard to an award of tenders over one hundred thousand dollars (\$100,000). Staff will allow one week between notification of the staff recommendation or posting of unofficial bid results and the award.

27.6 For RFP's over one hundred thousand dollars (\$100,000), staff will provide notification of recommendation to all proponents two weeks prior to award of Council.

27.7 If a Bidder disputes the staff award recommendation, the Bidder may request a debriefing from the Manager or designate. If after this debriefing, the Bidder still disputes the decision, an appeal shall be conducted by a Dispute Committee, which

shall hear from both City staff and the supplier at a time and place appointed in writing by the Committee. The Dispute Committee shall be comprised of the MFS or designee, and the Department Head of the issuing department involved. The decision of the Dispute Committee shall be in writing. The City will establish an impartial authority that is independent of the bid process to receive and review a complaint that cannot be resolved between parties.

## ~~25. DISPOSAL OF SURPLUS GOODS~~

~~25.1 Dept. Directors or their designates has the authority to declare goods surplus and shall, from time to time, dispose of any surplus goods not required by the Corporation by way of:~~

- ~~a) Offering to any other department~~
- ~~b)a) Sealed bid~~
- ~~c)a) sale by auction or consignment;~~
- ~~d)a) direct negotiation with buyers;~~
- ~~e)a) donation to a charitable organization.~~

~~25.225.1 No employee, member of Council or the public shall be allowed to purchase any surplus goods directly from the City.~~

~~25.325.1 Surplus goods and/or products, at the discretion of the Manager of Financial Services and Department Head involved, may become the property of the Contractor, to be disposed of at their discretion.~~

~~25.425.1 In the event that the item does not sell by any of the means provided, the department may use an alternate method of disposal. ie. scrap~~

## ~~26. 28 SOURCE SELECTION CRITERIA~~

~~26.1 28.1~~ The City uses the following criteria for the selection of the method for the acquisition of goods/services:

- a) total dollar value as estimated for the product/project
- b) availability of vendors capable of supplying product.
- c) pre-determined qualification of vendors/suppliers.

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- d) nature of need of product, such as an emergency situation which requires immediate attention.

## 27. 29 SOURCE SELECTION METHODS AND APPROVAL AUTHORITY

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### 27.1 29.1 The City of Stratford uses the following methods of purchasing Goods and Services:

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Standard Purchases- ~~(Less than \$25,000)~~  
~~Sealed Request for Quotations (\$25,000 to \$100,000)~~ Greater then \$5,000  
 less than \$30,000  
 Quotations - \$30,000 to \$100,000  
~~Sealed Tenders - \_\_\_\_\_ (Greater than \$100,000)~~  
 Request for Proposal  
 Request for Information  
 Request for Pre-qualification  
 Sole Source Purchases  
 Purchase at Public Auction  
 Emergency Purchases

Dollar Amount	Authorization Required	Council Process
Less than <del>\$25</del> 30,000	Any employee authorized by the Department Head	No requirement to notify Council
<del>\$25</del> 30,000 to \$100,000	Director	Notification of quotation call through Consent Agenda
Greater than \$100,000	Council	Notification of tender call through Consent Agenda, awarded through By-law

## 28. 30 STANDARD PURCHASE

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~~28.1~~—30.1 A Standard Purchase is deemed to be a purchase of less then \$5,000 and is completed using a purchase order. ~~one in the amount less than \$25,000 and is accomplished by using a Purchase Order. For purchases greater than \$5,000 but less than \$25,000, the Department is first to obtain at least three (3) written quotations whenever possible. Quotations must be submitted on the standard quotation form provided by the Purchasing Division. Quotation documents and~~

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~~specifications can be issued and received by e-mail or fax transmission at the Department location.~~

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### 31. Request for Information

31.1 A request for information is used as a general market research tool to determine what Goods and Service(s) are available which will meet business or operational requirements and acquisition strategies and/or may occasionally request project estimate costs for the purpose of developing a solicitation.

### 32 Request for Quotation

32.1 Purchases greater than \$5,000 but less than \$30,000 – The Department will be required to first obtain at least three (3) written quotations, whenever possible. Quotations must be submitted on the standard request for quotation form provided by the Purchasing Department. Quotation documents and specifications can be issued and received by email or fax transmission at the Department location. These quotations are not required to be posted on our website.

32.2 A purchase order shall be created for the recommended supplier and submitted by the Department with the three (3) quotes or a rationale in support of not obtaining three (3) quotes, for review and approval by Purchasing prior to issuing the purchase order to the supplier.

### 33 Prequalification Notices and Standing Purchases

33.1 The MFS has the right to limit contracts to Prequalified Suppliers provided that they have been determined acceptable by the City for a period not to exceed a total of three (3) years.

33.2 When required, the City will publish the request for prequalification in accordance with Article 508 of Canadian Free Trade Agreement Consolidated 2017, as may be amended from time to time, only once, at the beginning of the period of validity of the list, and will state the period of validity and the ending date.

33.3 The City may limit the number of Predetermined Suppliers that will be permitted to bid and the criteria for selecting the limited number of Suppliers.

33.4 The process for awarding the bid to a Prequalified Supplier will be determined through the Bid Analysis process.

33.5 The City may call for a standing arrangement which arrangement will be set out in the bid document and will describe how call-ups or orders under the standing arrangement will be made.

33.6 Long term tenders and quotations may be entered into for everyday Goods and Services when the following conditions apply:

- To obtain satisfactory and or preferential pricing
  - To provide uniformity within the Corporation
  - To maintain departmental inventories as required
  - To improve efficiency by reducing the amount of paperwork by eliminating day to day issuing of Purchase Orders and invoicing
- To allow each department to have accurate figures for annual budgets for operating supplies

~~29.~~ 34 SEALED QUOTATIONS (\$2530,000 to \$100,000)

~~29.1~~ 34.1 Competitive sealed quotation bidding will be the source selection used when the following conditions prevail:

- a) The item to be purchased is budgeted to cost between \$2530,000 and \$100,000.
- b) Clear and adequate specifications for the item or service are available or can be developed.
- c) Adequate competition is available. Two or more responsible bidders are able to satisfy the buyer's requirements and criteria set forth in the Invitation to Bid, and independently contend for the contract.
- d) Sufficient time is available for the preparation of bid invitations, advertising and preparation of bids submissions by vendors.

~~29.2~~ 34.2 Quotations to be awarded are not subject to City Council approval as provided for in this policy; however, prior notification to Council through the Consent Agenda is required when seeking sealed quotes.

~~30.~~ 35 SEALED TENDERS (Greater than \$100,000)

~~30.1~~ 35.1 Competitive sealed tender bidding will be the source selection used when the conditions in Sealed Quotations prevail, with the exception the cost of the item to be purchased is budgeted to exceed \$100,000.

~~30.2~~ 35.2 Prior notification to Council through the Consent Agenda is required when calling tenders. Council approval shall be in the form of a By-Law.

~~31.~~ 36. REQUEST FOR PROPOSAL - (RFP)

~~31.1~~ 36.1 A Request for Proposal is used when the goods/services are of a highly specialized or flexible nature. This allows the Corporation to generalize the description of the project and this in turn has the vendors provide their bids on the latest and best products in their line.

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~~31.2~~ 36.2 Prior notification to Council on the Consent Agenda is required. The evaluation criteria and process shall be approved by the Manager of Financial Services prior to the issuance of the RFP. Request for Proposals exceeding \$100,000 are to be awarded by By-law.

## ~~32. CONSULTANTS~~

~~32.1—The Corporation shall issue a Request for Proposal for architectural services for city building projects in excess of \$300,000.~~

~~32.2—From time to time, consultants are required to provide specialized expertise. Consultants would not involve the Corporation's ongoing legal counsel, audit services and planning advice (special projects excluded). For projects where the consultant's fees are expected to be in excess of \$60,000 for an individual project, the purchasing policy and Consultant's Policy C.2.1 "Hiring of Consultants" shall apply.~~

## ~~33. REQUEST FOR INFORMATION — (RFI)~~

~~33.1—A request for information is used as a general market research tool to determine what goods and service(s) are available which will meet business or operational requirements and acquisition strategies and/or may occasionally request project estimate costs for the purpose of developing a solicitation.~~

## ~~34. REQUEST FOR PRE-QUALIFICATION — (RFPO)~~

~~34.1—A request for pre-qualification may be conducted for any goods, service(s) or construction to select the number of qualified bidders that may bid on the subsequent procurement process. This selection does not create any contractual obligation.~~

### ~~35.1~~ 37 SOLE SOURCE PURCHASE (Non-competitive)

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~~35.1~~ 37.1 A sole source supplier shall be the only acceptable ~~vendor Bidder~~ who is able to furnish a certain product or service. In all cases, sole source purchases will not be permitted because there is a preference for a particular brand. The Department Head, in ~~discussion-collaboration~~ with the Manager of Financial Services, will be responsible for making all sole source determinations. In doing so, he must consider:

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- A Is there a lack of responsible competition for a product or service that is vital to the operation of the Corporation
- B Does the supplier possess exclusive capabilities?
- C Is the product or service unique and easily established as one of a kind?
- D Can program requirements be modified so that competitive products or services may be used?
- E Are there patented or proprietary rights that fully demonstrate:
  1. A feature providing a superior utility not obtainable from similar products?
  2. A product is available from only one prime source, and not merchandized through wholesalers, jobbers or retailers where competition could be encouraged.
- ~~3. F~~ What would the user department do if the product or service were discontinued.
- 437.2. In the case of any sole source purchase, the Manager of Financial Services shall retain a statement signed by ~~himself and~~ the Head of the department requiring the good or service, which verifies that the item or service purchased can be obtained from only one supplier and therefore meet the Sole Source criteria. ~~Where the MFS and Department Head disagree that the purchase meets the criteria, the CAO will be required to determine if the purchase shall proceed by a sole source.~~

### ~~36. EQUIPMENT REPAIRS~~

~~36.1 In the case of equipment repairs for amounts not exceeding \$25,000, the Manager shall be authorized to select from various vendors not solely on the~~

~~basis of cost, but also on ability, quality or workmanship, service availability, overall performance and experience without first obtaining bids.~~

### ~~37.~~ 38 PURCHASE AT PUBLIC AUCTION

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~~37.1~~ 38.1 In instances where a department wishes to purchase through public auction, the Department Head shall advise the Manager of Financial Services of the conditions involved in the proposed transaction, prior to the event.

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### ~~38.~~ 39 EMERGENCY PURCHASES

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~~39.1~~ For the purposes of this section, "Emergency" means an event or occurrence that the CAO or Treasurer or Designate of the CAO or Designate of the Treasurer deem as an immediate threat to:

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- ~~a- Public health~~
- ~~b- The maintenance of essential City services and/or~~
- ~~c- The welfare and protection of persons, property, or the environment and the event or occurrence necessitates the immediate need for Goods and Services to mitigate the emergency and time does not permit for a competitive procurement process.~~

~~39.2~~ In the event of an Emergency the CAO and their respective delegates, Fire Chief or Deputy Fire Chief , or Chief Building Official or Deputy Chief Building Official are authorized to enter into a purchase agreement without the requirement for a formal competitive process.

~~39.3~~ A list of prequalified supplier will be used to select the suppliers whenever possible.

~~39.4~~ In the event of an emergency, there must be notification sent (email notice is acceptable) to the Purchasing Clerk or delegate. The steps taken to mitigate the Emergency must always be clearly documented regardless of the amount. The emergency procurement shall be reported by the responsible Director to the Committee and City Council (including the source of financing) at the next scheduled meeting following the event. The Director responsible for the area leading the emergency procurement must forward the appropriate purchase requisition(s) to the Purchasing Clerk or delegate within five (5) business days after the mitigated activities associated with the emergency event have been terminated.

~~38.1—Emergencies shall exist when there is a threat to health, welfare, or safety of people/or property, or when the operation of a portion of the Corporation is in jeopardy. Purchasing shall, in various cases, delegate the purchasing function to the user department for Emergency Purchases. Control, however, will not be delegated, and the end user department will be required to forward a complete record of the emergency purchase to the Purchasing Department.~~

#### 40 DISPOSAL OF SURPLUS GOODS

40.1 Department - Directors or their designates must notify the MFS of any tangible capital assets ~~has the authority to declare goods surplus and shall, from time to time, dispose of any surplus goods not required by the Corporation by way of:~~

- a) Offering to any other department
- b) Sealed bid
- c) sale by auction or consignment,
- direct negotiation with buyers,
- d) donation to a charitable organization.

40.2 No employee, member of Council or the public shall be allowed to purchase any surplus goods directly from the City.

40.3 Surplus goods and/or products, at the discretion of the Manager of Financial Services and Department Head involved, may become the property of the Contractor, to be disposed of at their discretion.

40.4 In the event that the item does not sell by any of the means provided, the department may use an alternate method of disposal. ie. scrap

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#### 39:LONG-TERM TENDERS/QUOTATIONS

~~39.1—Long term tenders and quotations may be entered into for everyday goods and services when the following conditions apply:~~

~~To obtain satisfactory pricing.~~

~~To provide uniformity within the Corporation.~~

~~To maintain departmental inventories as required.~~

~~To reduce the amount of paperwork by eliminating day to day issuing of Purchase Orders and invoicing.~~

~~To allow each department to have accurate figures for annual budgets for operating supplies.~~

#### ~~40. ACQUISITION OF GOODS AND SERVICES FROM GOVERNMENT BODIES~~

~~40.1—The Department Head may acquire any goods and services from a Federal, Provincial or Municipal body, ministry, agency, board, corporation or authority when similar goods or services are not available from other sources or in the case of Provincial or federal standing agreements. The Department Head may take advantage of these opportunities if they are deemed to be in the best interest of the City.~~

#### ~~41.~~ 41 TECHNOLOGY SOLUTIONS

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~~41.1~~ 41.1 All technology solutions that will be connected to a City of Stratford system or network including but not limited to computer equipment and peripherals, software solutions, telephone and cellular equipment, PDA's and portable computing devices, MUST BE ordered through the Corporate Services Department of the City of Stratford. This Department will call quotations/tenders/ requests for proposals for items over \$5,000 in accordance with this Policy. Exceptions to this clause includes technology or automated solutions that do not require computer process, network or communication configuration.

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#### 42. EXEMPTION BY COUNCIL

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42.1 A Department may request exemption from any or all the purchasing methods outlined in this policy by submission of a report supporting the exemption and outlining the reasons for the exemption requesting the same to Council. Such exemption may be granted by resolution.

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#### ~~42. LOBBYING PROHIBITED~~

~~42.1—The City will be entitled to reject a bid submission if any representative or a Bidder, including any other parties that may be involved in a joint venture, consortium, subcontractor or Supplier relationship, makes any representation or solicitation to any elected official, employee or agent of the City during the blackout period.~~

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#### 43. RETENTION OF DOCUMENTATION

~~43.1~~ 43.1 All background information, information submitted by vendors, purchase orders and other relevant information involved in obtaining prices for goods and services shall be retained in the Department according to Records Retention By-law and this Policy.

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#### 44. PURCHASING PROCESS REVIEW

~~44.1~~ 44.1 The Manager of Financial Services may randomly review departmental purchasing related files on an on-going basis to review the effectiveness and integrity of the processes and policy adherence. Every five (5) years this policy will be reviewed, or more frequently as required, with a report being made to Council.

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#### 45. PURCHASING PROCEDURES

~~45.1a.~~ Purchasing procedures as determined by the Manager of Financial Services are to be used as a guideline and for information on purchasing goods and services in compliance with this policy.

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#### ~~46.42. EXEMPTION BY COUNCIL~~

~~46.1a. A Department may request exemption from any or all the purchasing methods outlined in this policy by submission of a report requesting the same to Council. Such exemption may be granted by resolution.~~

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#### Schedule "A" - Bid Irregularities

~~A bid irregularity is a deviation between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in a bid response. For the purposes of this policy, bid irregularities are further classified as "major irregularities" or "minor irregularities"~~

~~A "major irregularity" is a deviation from the bid request that effects the price, quality, quantity or delivery, and is material to the award. If the deviation is permitted, the bidder could gain an unfair advantage over competitors. A bid with major deviations must be rejected.~~

~~A "minor deviation" is a deviation from the bid request, which affects form, rather than substance. The effect on the price, quality, quantity or delivery is not material to the award. If the deviation is permitted or corrected, the bidder would not gain an unfair advantage over competitors. The bidder will be permitted to correct a minor irregularity.~~

#### ~~Mathematical Errors — Corrections by Staff~~

~~Errors in mathematical extensions and/or taxes and unit prices will be corrected by the Corporation and the bidder will be notified of the correction.~~

#### ~~Vendor Withdrawal~~

~~In the event that the vendor withdraws their bid due to the identification of a major irregularity, the vendor will forfeit their bid deposit and the Corporation has the right to disqualify such vendor from participating in future bid opportunities for a period of up to one year.~~



## Schedule "A"

### ELECTRONIC - BID IRREGULARITIES

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
1.	late bids	X		Bidding system does not allow.
2.	Method of deliver – Where the bid has been submitted via any other method other than through the Bidding system, where no such provision is allowed for in the bid.	X		Bid Declared Non-Compliant
3.	bid deposit not submitted with the bid when the bid request indicated that such deposit is required	X		Bidding system does not allow.
4.	EXECUTION OF AGREEMENT TO BOND: a. Bond company corporate seal or equivalent proof of authority to bind company or signature missing b. surety company not licensed to do business in Ontario	X X		Bid Declared Non-Compliant
5.	EXECUTION OF BID BONDS: a. corporate seal or equivalent proof of authority to bind company or signature of the BIDDER or both missing b. corporate seal or equivalent proof of authority to bind company or signature of BONDING COMPANY missing	X X		Bid Declared Non-Compliant
6.	pricing, specifications page or signature pages missing or unsigned	X		Bidding system does not allow.
7	insufficient financial security (ie: no deposit or bid bond or insufficient deposit)	X		Bidding system does not allow.
8.	bid document does not acknowledge addendums issued	X		Bid Declared Non-Compliant
9.	EXECUTION OF BID DOCUMENT proof of authority to bind is missing	X		Bid Declared Non-Compliant

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
10.	part bids (all items not bid)	X or	X	acceptable unless complete bid has been specified in the request
11.	bids containing minor clerical errors		X	2 working days to correct initial errors
12.	alternate items bid in whole or in part		X	available for further consideration unless specified otherwise in request
13.	pages requiring completion of information by vendor are missing or incomplete	X		Bidding system will not allow.
14.	bid documents which suggest that the Bidder has made a major mistake in calculations or bid	X	X	consultation with a Solicitor on a case-by-case basis
15.	Bid qualified or restricted by a statement or alteration added to any part of the documents	X		Bid Declared Non-Compliant
16.	Bidder did not attend a mandatory site meeting.	X		Bid Declared Non-Compliant
17.	RFP bids do not meet any defined mandatory requirements stated in the document.	X		Bid Declared Non-Compliant
18.	Suspended Vendor – Bid received by a Bidder who has been suspended from the bidding process.	X		Bid Declared Non-Compliant
19.	Other Bid Irregularities			Ruling by Bid Review Panel – Bidder may be given up to five (5) business days to remedy the bid irregularity.

NOTE: All above noted should not be considered all-inclusive. The Manager of Financial Services, in consultation with the requisitioning department will review minor irregularities. The Manager of Financial Services may then accept the bid, or request that the Bidder rectify the deviation.

**HARD COPY - BID IRREGULARITIES**

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
1.	late bids	X		automatic rejection
2.	bids completed in pencil	X		automatic rejection
3.	bid deposit not submitted with the bid when the bid request indicated that such deposit is required	X		automatic rejection
4.	EXECUTION OF AGREEMENT TO BOND: a. Bond company corporate seal or equivalent proof of authority to bind company or signature missing b. surety company not licensed to do business in Ontario	X X		automatic rejection automatic rejection
5.	EXECUTION OF BID BONDS: a. corporate seal or equivalent proof of authority to bind company or signature of the BIDDER or both missing b. corporate seal or equivalent proof of authority to bind company or signature of BONDING COMPANY missing	X X		automatic rejection automatic rejection
6.	unsealed tender envelopes	X		automatic rejection
7.	pricing, specifications page or signature pages missing or unsigned	X		automatic rejection
8.	insufficient financial security (ie: no deposit or bid bond or insufficient deposit)	X		where security is required and amount of security is specified in request, automatic rejection

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
9.	bid received on documents other than those provided in request	X		not acceptable unless specified otherwise in the request
10.	bid document does not acknowledge addendums issued	X		automatic rejection
11.	EXECUTION OF BID DOCUMENT proof of authority to bind is missing	X		automatic rejection
12.	part bids (all items not bid)	X or	X	acceptable unless complete bid has been specified in the request
13.	bids containing minor clerical errors		X	2 working days to correct initial errors
14.	uninitialed changes to the request documents which are minor		X	2 working days to correct initial errors
15.	alternate items bid in whole or in part		X	available for further consideration unless specified otherwise in request
16.	unit prices in the schedule of prices have been changed but not initialled		X	2 working days to correct initial errors
17.	other mathematical errors which are not consistent with the unit prices		X	2 working days to correct initial corrections
18.	pages requiring completion of information by vendor are missing or incomplete	X		automatic rejection

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
19.	bid documents which suggest that the bidder has made a major mistake in calculations or bid	X	X	consultation with a Solicitor on a case-by-case basis
20.	Bid qualified or restricted by a statement or alteration added to any part of the documents	X		automatic rejection
21.	Bidder did not attend a mandatory site meeting.	X		automatic rejection
22.	RFP bids do not meet any defined mandatory requirements stated in the document.	X		automatic rejection
23.	Suspended Vendor – Bid received by a Bidder who has been suspended from the bidding process.	X		Automatic Rejection
24	Other Bid Irregularities			Ruling by Bid Review Panel- Bidder may be given up to five (5) business days to remedy the bid irregularity.

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NOTE: All above noted should not be considered all-inclusive. The Manager of Financial Services, in consultation with the requisitioning department will review minor irregularities. The MFS may then accept the bid, or request that the Bidder rectify the deviation.

## Schedule "B" - Definitions

In this policy, the following words will have the following meanings:

"Accessibility" – means a general term used to describe the degree of ease that something (e.g., device, service and environment) can be used and enjoyed by persons with a disability. The term implies conscious planning, design and/or effort to ensure it is barrier-free to persons with a disability, and by extension, highly usable and practical for the general population as well.

"Authority or Authorized" – the right to conduct the subject task as directed by Council either through resolution or through the approval of the annual Departmental budget (budget process and adoption.)

"Award" - when a Submission is formally accepted by the City, either by Council or by delegated authority as permitted in this policy.

"Bid" – an offer or submission received in response to a sealed quotation, sealed tender, RFP, RFI or RFPQ, which is subject to acceptance or rejection.

~~"Bid Documents" – City documents used in connection with a Purchasing process.~~

"Bid Deposit" - Security to ensure that the successful Supplier on a Solicitation enters into a Contract with the City.

"Bidder" – a person or enterprise that submits a Bid.

"Blackout Period" – means the period of time from when the bid call document is released until the final award.

"Board" - An entity independent of the City, but recognized by Council as an agency which may take advantage of the City's purchasing power or process, in accordance with this Policy. Without limiting the generality of the foregoing, the Stratford City Centre Business Improvement Area, Perth & Stratford Housing Corporation, and Board of Park Management shall be considered a "Board".

"City" - The Corporation of the City of Stratford.

"Closing Time" - The place, date and time set by the Bid Documents for receipt of Responses.

"Competition" – means the solicitation of bids through a publicly posted solicitation document.

"Competitive Process" - means either an open Competition of an Invitational Competition.

"Consultants" - The supply of expertise or strategic advice that is presented for consideration and decision-making, or the guidance or execution of a specific project or undertaking and includes professional services such as engineering and architecture.

"Construction" - Construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other work, but does not include Consulting Services related to the Construction unless they are specifically included in the Purchase.

"Contract" - A document to evidence an agreement for the purchase of deliverables, and includes both a Purchase Order and a Formal Agreement.

"Corporation or "Municipality" – The Corporation of the City of Stratford.

"Council" – means the Council of the City.

"Department Head" - The designated lead of a City Department responsible for direction and operation of a Department.

"Deliverable(s)" - means any Goods or Services or construction or combination thereof.

"Designate" – An individual duly appointed to act on behalf of the authorized authority.

"Disposal" – The transfer of ownership of Property by the City by sale, trade in, donation, alternative use or destruction.

"Elected Official" – a member of the Council for the City.

“Goods” – Any moveable property, including the costs of installing, maintaining or manufacturing such moveable property, including raw materials, products, equipment and other physical objects of every kind and description, whether in solid, liquid, gaseous or electronic form, unless they are purchased in connection with Construction.

“In House Bids” - means a bid made by a department and authorized by the Supervisor/Manager/Director responsible for that department, submitted in response to a call for a bid, where provision of Goods and Services will be entirely by the employees of the City.

“Invitational Competition” – means a competitive process in which an invitation to submit bids is issued at buyers.

“Insurance” – the amount and type of insurance coverage required by the City, to the satisfaction of the Treasurer. Evidence of adequate insurance coverage will be by certified documents issued by an insurance company licensed to operate in the Province of Ontario, certifying that the bidder is insured in accordance with the Municipality's insurance requirements.

“Non-competitive Procurement” – acquisition of goods and services without comparing pricing or product/service information from multiple vendors.

“Procedures” – a sequence of steps or actions establishing expectations of how the policies in this by-law are to be implemented.

“Procurement” or “Purchasing” – The acquisition of Deliverables by any means, including rental and leasing, and the functions that pertain to the acquisition of Deliverables, and “Purchasing” shall have a corresponding meaning.

“Purchasing Department” – The division of the Corporate Services Department, Finance Division charged with carrying out the Purchasing function.

“Purchaser Order/PO” – A standard Contract issued by the City to a Supplier to evidence an agreement for the purchase of Deliverables.

“Quotation” – prices on specific Goods and Services obtained formally through a Request for Quotation or informally from selected sources, which are submitted verbally, in writing, by e-mail or transmitted by facsimile.



"RFP"- Request for Proposal, a process in which a need is identified, nonetheless the method by which it will be achieved is not necessarily known at the outset and price is not the only evaluation being considered.

"RFQ" – Request for quotations, including formal and informal quotations, but not including RFSs or RFTs.

"RFT"- Request for tender, a process to request Supplier responses to supply deliverables in compliance with stated requirements, performance specifications, and terms and conditions and evaluation is made solely on price.

"Sealed Bid" – a Bid submitted in a sealed envelope to a specified location, by a specified date, at a specified time.

"Services" – Intangible products not having a physical presence.

"Solicitation Document" – means a document issued by the City to solicit Bids from Bidders, including but not limited to RFTs, RFPs and RFQs.

"Specifications" – Description of the physical or functional characteristics or the nature of a supply, service, equipment or construction item and may include requirements for inspection, testing, or preparing a Deliverable, and may also include drawings or samples or other means of illustrating the requirements.

"Supplier"- means a person, corporation or other entity carrying on the business of providing goods, services or construction.

"Surplus Goods" – any items no longer having any use to the City or in excess of the needs of the City, inclusive but not limited to obsolete supplies, scrap materials and vehicles, but excluding real property.

"Tender" – means an offer to procure, which specifies characteristics required and is set out in the solicitation document, which solicits a Bid.

"Website" - The City's website at <http://www.stratfordcanada.ca>.



## The Corporation of the City of Stratford

Policy Manual

### P.5 Purchasing and Materials Management

Dept: Corporate Services

Committee: Finance and Labour Relations

#### P.5.1 Procurement of Goods and Services Policy, Purchasing

Adopted: September 26, 2016  
 Amended:  
 Reaffirmed:  
 Related Documents: By-law \_\_\_\_-2019; Notice Policy  
☒ Council Policy ☐ Administrative Policy

## PURCHASING POLICY

Adopted by By-law \_\_\_\_\_ on \_\_\_\_\_

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## 1. LEGISLATIVE AUTHORITY

- 1.1 The *Municipal Act, 2001*, ("Municipal Act"), section 270, as amended states that a municipality and a local board shall adopt policies with respect to its procurement of Goods and Services, including policies with respect to:
- a. the types of procurement processes that shall be used;
  - b. the goals to be achieved by using each type of procurement process;
  - c. the circumstances under which each type of procurement process shall be used;
  - d. the circumstances under which a tendering process is not required;
  - e. the circumstances under which in-house bids will be encouraged as part of a tendering process;
  - f. how the integrity of each procurement process will be maintained;
  - g. how the interests of the municipality or local board, as the case may be, the public and persons participating in a procurement process will be protected;
  - h. how and when the procurement processes will be reviewed to evaluate their effectiveness; and
  - i. any other prescribed matter.
- 1.2 Compliance with legislation procurement activities shall be subject to all applicable Municipal policies and by-laws and specific provisions of the *Municipal Act, 2001*, and all other applicable Federal and Provincial legislation including any international standards implemented by the Federal government.
- 1.3 Pursuant to the *Ontarians with Disabilities Act, 2001* ("ODA") as may be amended from time to time, *Ontarians with Disabilities Act, 2005* ("AODA") as may be amended from time to time, and Ontario Regulation 191/11 under the AODA, the City of Stratford shall consider accessibility criteria and features when procuring or acquiring goods, services, or facilities, except where it is not practicable to do so. In which case, an explanation shall be provided. All competitive bids will incorporate measures to ensure that customer service is available to everyone, including persons with disabilities.

- 1.4 The Corporation of the City of Stratford must be prepared to manage and respond to extraordinary circumstances from time to time that require immediate decision making to prevent or alleviate serious delay, protecting lives, infrastructure and property, protect the environment, promote economic stability and help ensure the continuance of critical assets and government to respond to any emergency whether natural, technological and human-caused with or without warning as required under the provincial legislation *Emergency Management and Civil Protection Act*, R.S.O. 1990, c. E. 9 (as amended).

## **2. PURPOSE OF THE PURCHASING POLICY**

- 2.1 The purpose of this Policy is:

- 2.1.1 to set out guidelines for the City to ensure that all purchases of materials, supplies and services provide the lowest costs consistent with the required quality and service;
- 2.1.2 to describe the roles, responsibilities and authorities of the City's employees, officers, and elected officials in carrying out the City's Procurement operations;
- 2.1.3 to maintain an open and honest process that is fair and impartial, non-discriminatory, fosters equal treatment, and is transparent and accountable.
- 2.1.4 to promote and maintain the integrity of the purchasing process and protect Council, staff and vendors involved in the process, by providing clear direction and accountabilities; and,
- 2.1.5 To comply with the requirements of Section 270(1) of the Municipal Act and with Provincial, Federal and International laws and legislation with respect to Procurement.

## **3. CITY CONDUCT**

- 3.1 The City shall conduct its procurement activities in a manner so as to maintain public trust.
- 3.2 All procurement activities must be conducted in accordance with:
  - a. The City of Stratford's Employee Code of Conduct;

- b. The City's Code of Conduct for Council Members and Local Board Members;
  - c. The *Municipal Conflict of Interest Act*, R.S.O. 1990, c.M. 50, as applicable.
  - d. The *Canadian Free Trade Agreement* Consolidated 2017; and
  - e. Where applicable other trade agreements that applies to municipalities such as Canada-US Agreement on Government Procurement (CUSPA), Trade & Cooperation Agreement between Ontario and Quebec (TACOQ) and the Canada-European Union Comprehensive Economic and Trade Agreement (CETA).
- 3.3 No employee or Member of Council of The Corporation of the City of Stratford or local board as specified in this policy, will have any interest directly or indirectly, as a contracting party, partner, shareholder, surety or otherwise in any contract for goods or services or in any of the monies to be derived there from, unless by a resolution of Council prior to the award of a sealed bid.
- 3.4 If the City determines that a Director or Manager of a City department has a direct or indirect interest and is responsible for the bid, the process shall be undertaken by a designate approved by the Manager of Financial Services ("MFS"). The Corporation does not accept bids made by a Department submitted in response to a bid solicitation where the provision of the goods or services will be provided entirely by the employees of the Corporation otherwise known as "In House Bids."
- 3.5 The Corporation does not have or use any "Local Vendor or Supplier Preference" in its dealings, in order to comply with the *Ontario Discriminatory Business Practices Act*, R.S.O., 1990, as amended, the *Canadian Free Trade Agreement*, 2017 c.5, as may be amended from time to time; and the *Competition Act*, R.S.C. 1985, c.C-34, as may be amended from time to time.
- 3.6 The Corporation will not tolerate any form of discrimination and forbids the granting of a preference to a local Bidder and will uphold the regulatory requirements as set out in the *Ontario Discriminatory Business Practices Act*, R.S.O. 1990, c. D. 12, as may be amended from time to time.
- 3.7 The Corporation of the City of Stratford adopts the ethical considerations of the Code of Ethics adapted from the Ontario Public Buyer's Association in its purchasing process.

- 3.8 The MFS is authorized to participate in and/or join in co-operative purchasing arrangements with other municipalities, local boards and other public commissions and agencies where the best interests of the Municipality will be served. Where such participation is at variance with the Municipality's Purchasing Policy, Council shall first authorize any participation.

#### **4. SUPPLIERS CONDUCT**

- 4.1 The Corporation of the City of Stratford expects its Suppliers to act in a manner with integrity and conduct its business in an ethical manner.
- 4.2 The City may refuse to engage in a business transaction or may terminate a business transaction with any Bidder that has including but without limiting the generality of the foregoing engaged in any illegal or unethical bidding practices, has or is in a potential conflict of interest, has created an unfair advantage in the procurement process or fails to adhere and carry out ethical business practices.
- 4.3 No bid or offer will be accepted from any Bidder, inclusive of the Bidder's subcontractors, who has a claim or has instituted a legal proceeding against the City, or against whom the City has a claim or instituted a legal proceeding, without prior approval of Council. For purposes of this provision, where such Bidder is a corporation, Bidder shall include any non-arm's length corporation of the Bidder.
- 4.4 It is the responsibility of all Bidders participating in a procurement process to declare any perceived, potential, anticipated, or actual conflicts of interest.
- 4.5 If a Bidder has been engaged to participate in the development of a solicitation document or the specifications for inclusion in a solicitation document, the Bidder will not be allowed to make a response directly or indirectly to that solicitation document. Refer to Section 14.
- 4.6 The City abides by the *Competition Act R.S.C. 1985, c. C-34*, as may be amended from time to time, and will report any suspected cases of collusion or other bid violations to the Competition Bureau and or other relevant lawful authorities.



- 4.7 The City shall be entitled to reject a bid submission if any representative or a Bidder, including any other parties that may be involved in a joint venture, consortium, subcontractor or Supplier relationship, makes any representation or solicitation to any elected official, employee or agent of the City during the blackout period.

## **5. CONFLICT OF INTEREST**

- 5.1 No Goods or Services shall be purchased by the City from any officer or employee of the City or any member of Council or from any business in which any officer or employee of the City or any member of Council is an officer of such business without first declaring and advising of the conflict of interest at the time of submission.

## **6. APPLICATION OF POLICY**

- 6.1 All City departments, elected City officials, committees and boards of the City shall acquire Goods and Services in accordance with this Policy and not otherwise excluding the City's Library Board and Police Services Board.
- 6.2 No person shall have the right to acquire Goods and Services or to otherwise bind the City in respect of the acquisition of Goods and Services, except in accordance with this Policy.
- 6.3 The rules in this section 6 shall not apply where the supply of funds, approval of borrowing, or the provision of other financial assistance is mandated by statute.

## **7. ADMINISTRATION**

- 7.1 All invoices and accounts from vendors shall be authorized prior to payment. Authorization shall occur in the form of signatures of the Department Head or Designate and shall include staff denoting clerical accuracy, budgetary or specific Resolution approval, tender/quote number and an indication that Goods and Services were received in good order. These required signatures will be deemed to authorize payment.
- 7.2 Prior to City Council adopting the operating and capital budget, no person is authorized to purchase any goods or services other than those goods or services required on a recurring basis for the day to day operations of the City, without the prior approval of Council.

- 7.3 The Treasurer is authorized to pay for Goods and Services purchased in accordance with this Policy and shall not pay for any such Goods and Services unless otherwise provided in this Policy or within the time commitments specified in the purchasing agreement or contract.
- 7.4 No prepayment for all or any part of Goods and Services shall be made unless the contract specifically provides for such prepayment.

## **8. CAO OR DESIGNATE RESPONSIBILITIES**

- 8.1 When non-compliance of this policy has been identified, the CAO or Designate shall direct the non-compliant department to get approval for their purchase by Council resolution.

## **9. MANAGER OF FINANCIAL SERVICES RESPONSIBILITIES**

- 9.1 The MFS is responsible for:
- a. the management, organization and administration of a City-wide purchasing function, as well as developing policies and procedures for the Purchasing function;
  - b. preparing, issuing and receiving Requests for Proposal, Tenders, Quotations and Inquiries for Goods and Services, and for arranging the disposal of surplus goods;
  - c. the correlation and unification, so far as possible, of the requirements of the various departments of the City, and standardizing the kinds of Goods and Services used by the City to the smallest quantity consistent with the needs of the various departments. This program shall be a joint enterprise among the various departments of the City, with the MFS having the responsibility of putting the program into effect; and
  - d. notifying CAO and Treasurer of non-compliance of this Policy.

## **10. EMPLOYEE RESPONSIBILITIES**

- 10.1 All employees are encouraged to develop and advance positive professional cooperative relationships with Bidders and within their Department, to seek consultation from their superiors in respect of any questions regarding the application or interpretation of this Policy.

- 10.2 Any employee who becomes aware and or suspects a conflict of interest in relation to any solicitation or purchase shall immediately report to their Department Supervisor/Manager or Director.
- 10.3 No employee shall knowingly cause or permit anything by their actions and or communication to anyone that does or is likely to cause any supplier to have an unfair advantage or disadvantage in any purchasing opportunity.
- 10.4 City employees shall be required to adhere to any City, legal, or other statutory legislation including Trade Agreements, and the City policies and failure to do so may result in corrective action including progressive discipline up to and including discharge based on the circumstances.
- 10.5 All employees granted purchasing authority must be first trained on proper use and interpretation of this Policy and the applicable By-laws and legislation as determined by the Director of the department of which they are employed.

## **11. CONSULTING FIRM RESPONSIBILITIES**

- 11.1 Should it be deemed advantageous to engage the services of a consultant in the bidding process, the Department must ensure the consultant is aware of and follows the Corporation's policies and procedures.
- 11.2 Consultants are to provide a copy of any documentation being issued in the Corporation's name, to the Manager of Financial Services prior to issuance.
- 11.3 From time to time, consultants are required to provide specialized expertise on various matters involving engineers, architects and management professionals.. Consultants would not involve the City's ongoing legal counsel, audit services and planning advice (special projects excluded). Approval to proceed to engage consultants must be received either in budget approval or by resolution of Council.
  - 11.3.1 For projects where the Consultant's fees are expected to be less than \$60,000. for an individual project, the Department may directly hire the Consultant without issuing an RFP or Sealed Quotation.
  - 11.3.2 For projects where the Consultant's fee are expected to be in excess of \$60,000. for an individual project, the following procedure will apply;
    - 11.3.2.1 The Department will issue an RFP, a Sealed quotation or a Sealed Tender.

- 11.3.2.2 If the cost of the Consultant is expected to exceed \$100,000, the Mayor and two (2) members of Council, as well as two (2) members of staff, will sit on the Evaluation Committee. The Mayor may ask that Council select a member to sit in his or her stead.
- 11.3.2.3 If the project is a continuation of previous work for which there is an obvious economic benefit to continue with the same consultant, the Director may seek Council's permission to request for a single proposal for the project, which proposal must then receive Council approval.

## **12. FINANCIAL ACCOUNTABILITY**

- 12.1 No purchases shall be made unless approved in the annual budget or authorized by Council. Where this policy prescribes dollar limits, the contract amount shall be the estimated total acquisition cost less any applicable taxes.

## **13. CONTRACT ADMINISTRATION**

- 13.1 It shall be the responsibility of the Department issuing the Bid Documents to enforce the contract terms, conditions and specifications.
- 13.2 The Corporate Department will ensure that all Tender/Bid Notices are available to Suppliers free of charge and in compliance with Article 506 Subsection 6. (a) through (l) *Canada's Free Trade Agreement c. 2017*, as may be amended from time to time and any such articles that may be deemed applicable.
- 13.3 The MFS in consultation with the Department Head and or with the City's solicitor, may permit the exclusion of a Supplier based on the following grounds if there is supporting evidence:
- bankruptcy or insolvency;
  - false declarations;
  - significant or persistent deficiencies in performance of any substantive requirement or obligation under a prior contract or contracts;
  - final judgments in respect of serious crimes or other serious offences;

- professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the Supplier; or,
- failure to pay taxes.

13.4 The supplier excluded by the MFS in accordance with the provisions of this policy shall be excluded for a period deemed by the MFS which can be up to a period of two (2) years ("Exclusion Period"). To be reinstated after the Exclusion Period on the Bidders list, the vendor shall supply an updated company profile in addition to three (3) recent references to the MFS for review and consideration.

## 14. REQUESTS FOR VENDOR INPUT

14.1 Bidders or potential Bidders should not be requested to expend time, money or effort on design or in developing specifications or otherwise help define a requirement beyond the normal level of service expected from Bidders.

14.2 When such services as contemplated in this section are required:

- a. the MFS shall be advised;
- b. the contracted vendor will be considered as a consultant and unable to make an offer for the supply of Goods and Services, as per the Article 509 of the *Canadian Free Trade Agreement*, as may be amended from time to time, Article 19.9 of the *Comprehensive Economic and Trade Agreement*, as may be amended from time to time, and Article 9.11 of the *Trade and Cooperation Agreement Between Ontario and Quebec*, as may be amended from time to time;
- c. the Bidder providing the services shall be paid a fee; and,
- d. the detailed specifications shall become the property of the Corporation for use in obtaining competitive bids.

## 15. GENERAL PROVISIONS

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

- 15.2 All dollar amounts referenced are in Canadian dollars and prices stated are before applicable taxes.
- 15.3 Any reference to a day refers to a calendar day.
- 15.4 All Bidders must respect, comply and carry out all requirements as regulated by the *Occupational Health and Safety Act*, R.S.O. 1990, c. 0.1 as may be amended from time to time, and the *Workplace Safety and Insurance Act*, SO 1997, c. 16, as may be amended from time to time.
- 15.5 All departments shall review their bid specifications for Goods and Services, to ensure that they meet the applicable requirements of any trade agreement and policies of the City, and wherever possible specifications are amended to provide for expanded use of products and services that contain post-consumer recyclable waste and/or recyclable content to the maximum level allowable, without significantly affecting the intended use or performance of the product or service. It is also recognized that a cost analysis may be required in order to ensure that the products are made available at competitive prices. The department shall also consider opportunities wherever possible to increase the development and awareness of Environmentally Sound Products, wherever practicable and possible.
- 15.6 Excluding RFP's any recommendation to award a bid by a department will be in favour of a Bidder meeting specifications, terms and conditions of the bid and whose bid offers the lowest ultimate cost to the City for the goods or services being solicited with due consideration of the importance of quality, service and price.
- 15.7 The disclosure of information received relevant to the issue of a bid solicitation or the award of contracts emanating from bid solicitations is subject to the provisions of the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, as may be amended from time to time. The City will make reasonable attempts to safeguard the confidentiality of any identified successful Bidder, but will not be held liable in any way whatsoever if such information is inadvertently disclosed.

## 16. ADVERTISING

- 16.1 Bids shall be posted on the Corporation's website and where effective in the opinion of the Department Head advertised in local newspapers and

applicable publications or where necessary to comply with all existing statutory regulations.

- 16.2 The timing and length of advertising shall be defined by the Department Head.

## **17. BID ADDENDUM**

- 17.1 In no instance shall anyone save and except the MFS or designate, issue any verbal or written changes on a Bid. All changes shall be in accordance with the bid analysis review and an addendum issued with the approval of the MFS.
- 17.2 A notification of an addendum shall be forwarded to each Bidder that has received the bid documents, including but not limited to informal quotations, by bids&tenders<sup>TM</sup>, or by Department staff in the form of a cover letter to those that made a direct application with the City.

## **18. BID DEPOSITS**

- 18.1 Bid deposits of no less than 5% of the estimated value of the work shall be required to accompany bid submissions for the following:
- a. All bids for City construction projects in excess of \$100,000; and/or
  - b. Special contracts or scope of work as deemed appropriate by the MFS and the Department.
- 18.2 A bid deposit shall be provided in one of the following formats:
- a. Bid bonds issued by a bonding agency licensed to operate in the Province of Ontario naming the City as the obliged.
  - b. A irrevocable letter of credit naming the City as the beneficiary.
  - c. Certified cheque, bank draft or money order made payable to The Corporation of the City of Stratford.
- 18.3 The City shall not pay interest on any bid deposits.
- 18.4 The City reserves the right to turn the bid deposit of the successful Bidder into a financial guarantee if specified in the bid documents.

## 19. BONDING REQUIREMENTS

- 19.1 Agreement to Bond, Performance, labour and material, and/or maintenance bonds are required for all construction projects exceeding \$100,000 for a minimum of 50% of the bid amount. The cost for bonding is to be included in the submission price.
- 19.2 A Bond can be either a certified cheque, bank draft, money order and or bonding documents issued by an approved Guarantee Company properly licenced in the Province of Ontario, on Canadian Construction Documents Committee (CCDC) bond forms or similar recognized form of agreement acceptable to the City.
- 19.3 For some smaller construction projects under \$250,000, an irrevocable letter of credit for 100% of the bid amount may be accepted in lieu of bonding if specified in the bid documents. Such irrevocable letter of credit must include terms and conditions acceptable to the City of Stratford as specified in the bid documents.

## 20. INSURANCE

- 20.1 The standard insurance minimums, unless otherwise specified in the bid documents are as follows:
  - \$2 million – commercial general liability policy
  - \$2 million – owned and non-owned automotive liability policy
  - \$2 million – homeowners (e.g. for rental of facilities)
  - \$2 million – professional errors and omissions liability (as applicable)
  - \$2 million – environmental impairment liability (as applicable)
  - The amount of the project cost - Builders Risk (as applicable)
- 20.2 Other Insurance Coverage - The City reserves the right to request such higher limits of insurance or other types of policies appropriate to the Bid as the City may reasonably require from time to time.



## 21. BID ANALYSIS

- 21.1 Bid submissions shall be analyzed by the Corporate Department and a recommendation made. The dollar amount (contract term) will determine the level of City approval that shall be required. Prior to the undertaking of the work the Department is to ensure all the required documentation is in place.
- 21.2 The Corporate Department shall not make changes to submissions received regardless of requests received by telephone, facsimile or letter and shall not be considered or included in or during the Competitive Process in any way. Any corrections by the Bidder must be made by withdrawal of submission and re-submission with a new Bid prior to bid closing through bids&tenders<sup>TM</sup>.
- 21.3 The MFS and Corporate Department are not bound to accept the lowest price and may make an award to another Bidder if, in the City's sole opinion and discretion, having regard for trade treaty obligations, delivery time, service and quality of goods, or outstanding claims that it would be in the best interests of the City to do so.
- 21.4 A Supplier whose Bid is late if the delay is due solely to an administrative error on the part of the City, the Supplier will be given the opportunity to correct unintentional form errors after the deadline for the bid, and the same opportunity will be provided to all participating Suppliers.

## 22. BIDS WITH EQUAL TOTAL PRICES

- 22.1 The City in acting in an open, fair and transparent manner will, based on the consideration set out in this policy, make a determination to award, when two or more Bidders have the exact same total bid price and meet the requirements set out in the bid document to include but not limited to the lowest bid price. The determining factors for the award shall be based on the considerations set out in this section.
- 22.2 The Bids having two equal prices will be reviewed in accordance with the following factors and consideration given to the Bid having the best anticipated favourable outcome to the City;

Goods: The Bidder having the preferred delivery date; and

Services: The Bidder being in the best position to offer better after sales services, if necessary.

- 22.3 If after evaluation of the factors set out above the two Bidders remain tied, then the City will notify the Bidders that the successful Bidder will be determined by a coin toss.

#### **Coin Toss Procedure**

- a. The Bidders will be required to attend the City on the required date and time set by the City for the coin toss. If one Bidder fails to attend the coin toss, the award will automatically go to the Bidder present.
- b. When both Bidders are present, the Bidder with the first received bid to the City (time and date) will be "Heads". The coin toss shall be performed by the Manager of Financial Services in the presence of a representative of the Department and the tied Bidders.

### **23. BID IRREGULARITIES**

- 23.1 Bid irregularities are defined in the attached **Schedule 'A'**.

### **24. REPORTING TO COUNCIL**

- 24.1 City Council must approve the purchase of Deliverables where:
- a. The purchase prices is greater than \$100,000 not including taxes;
  - b. Any contract requiring approval from the Federal or Provincial Governments or any other Government Agencies;
  - c. Any contract prescribed by a statute to be awarded by Council;
  - d. Where the award under \$100,000 is not being offered to the top ranked Bidder;
  - e. The contract includes complex financing terms;
  - f. Where prior budget approval has not been obtained;
  - g. Where the total contract value exceeds the Council approved budget by more than ten percent (10%) or ten thousand (\$10,000) dollars; whichever is lower;
  - h. Where a change in the scope of the project occurs that was not part of a contingency plan and requires the procurement of additional deliverables, and where the overall costs exceeds the Council approved

budget by more than ten percent (10%) or ten thousand (\$10,000) dollars; whichever is lower;

- i. Where the term, including any and all possible extension years of a proposed service contract is for an aggregate period longer than five (5) years;
- j. In any other instance in which the MFS and the CAO acting together, whether in consultation with legal services, feels it would be in the best interests of the City to do so; or
- k. Where Council has directed staff to provide a report for approval.

## **25. BID NEGOTIATION**

- 25.1 If the lowest tender is within 10% of the budget amount the Corporate Department has the right to reject all bids or negotiate with the low Bidder.
- 25.2 In the event potential cost savings have been identified, the Corporation has the right to request a final revised base bid submission of the Bidders.
- 25.3 If the lowest bid is more than 10% higher than the budget amount the bid shall be reissued.
- 25.4 Requests for potential cost savings shall be limited to deletions from the scope of work and/or associated changes or changes of materials and finishes. The Corporate Department shall not request pricing of significant design modifications.

## **26. BID WITHDRAWAL**

- 26.1 Withdrawal requests must be made through bids&tenders™.
- 26.2 Requests for withdrawal of a bid shall be allowed if the request is made before the closing time. This withdrawal does not disqualify a Bidder from submitting another bid on the same contract if made within the expiry period.
- 26.3 Should a Bidder wish to withdraw their bid subsequent to the closing time or fails to proceed with the contract, the City shall first obtain legal advice from the City solicitor. At a minimum the Bidder may forfeit their bid deposit and be prohibited from bidding on future opportunities for a period of up to two years.

26.4 The City reserves the right to withdraw/cancel any posted bid documents prior to closing. Such withdrawal will be posted as an Addendum.

26.5 After closing the City reserves the right to not award the bid and terminate the bid on bids&tenders<sup>TM</sup>.

## **27. PROCUREMENT DEBRIEFINGS/PROTESTS**

27.1 All Bidders have the right to protest the outcome of the procurement process in accordance with the provisions of this policy.

### **UNSUCCESSFUL VENDOR DEBRIEFING OPPORTUNITY**

27.2 Unsuccessful Bidders may request a 'debriefing' within thirty (30) calendar days from notice of award posting date by contacting the City Purchasing Clerk in writing.

27.3 The City Purchasing Clerk will attempt to schedule an email or telephone debriefing with the unsuccessful Bidder and the Project Manager within fourteen (14) business days of the request.

27.4 The Project Manager is to make notes during the telephone debriefing and the outcome, to include listing any documents relied upon during the call with the unsuccessful Bidder. These notes are to be kept with the bid documents and filed in accordance with the Retention By-law.

### **FORMAL PROTEST AFTER DEBRIEFING**

27.5 A formal protest must be made by the supplier with regard to an award of tenders over one hundred thousand dollars (\$100,000.). Staff will allow one week between notification of the staff recommendation or posting of unofficial bid results and the award.

27.6 For RFP's over one hundred thousand dollars (\$100,000.), staff will provide notification of recommendation to all proponents two weeks prior to award of Council.

- 27.7 If a Bidder disputes the staff award recommendation, the Bidder may request a debriefing from the Manager or designate. If after this debriefing, the Bidder still disputes the decision, an appeal shall be conducted by a Dispute Committee, which shall hear from both City staff and the supplier at a time and place appointed in writing by the Committee. The Dispute Committee shall be comprised of the MFS or designate, and the Department Head of the issuing department involved. The decision of the Dispute Committee shall be in writing. The City will establish an impartial authority that is independent of the bid process to receive and review a complaint that cannot be resolved between parties.

## **28. SOURCE SELECTION CRITERIA**

- 28.1 The City uses the following criteria for the selection of the method for the acquisition of goods/services:
- a. total dollar value as estimated for the product/project;
  - b. availability of vendors capable of supplying product;
  - c. pre-determined qualification of vendors/suppliers;
  - d. nature of need of product, such as an emergency situation which requires immediate attention.

## **29. SOURCE SELECTION METHODS AND APPROVAL AUTHORITY**

- 29.1 The City of Stratford uses the following methods of purchasing Goods and Services:

Standard Purchases - Less than \$5,000  
 Request for Information  
 Request for Quotation – Greater than \$5,000 less than \$30,000  
 Request for Pre-qualification  
 Quotations - \$30,000 to \$100,000  
 Tenders - Greater than \$100,000  
 Request for Proposal  
 Sole Source Purchases  
 Purchase at Public Auction  
 Emergency Purchases

<b>Dollar Amount</b>	<b>Authorization Required</b>	<b>Council Process</b>
Less than \$30,000	Any employee authorized by the Department Head	No requirement to notify Council
\$30,000 to \$100,000	Director	Notification of quotation call through Consent Agenda
Greater than \$100,000	Council	Notification of tender call through Consent Agenda, awarded through By-law

### **30. STANDARD PURCHASE**

- 30.1 A Standard Purchase is deemed to be a purchase in the amount of less than \$5,000 and is completed by using a Purchase Order.

### **31. REQUEST FOR INFORMATION – (RFI)**

- 31.1 A request for information is used as a general market research tool to determine what goods and service(s) are available which will meet business or operational requirements and acquisition strategies and/or may occasionally request project estimate costs for the purpose of developing a solicitation.

### **32. REQUEST FOR QUOTATION**

- 32.1 Purchases greater than \$5,000 but less than \$30,000 - The Department will be required to first obtain at least three (3) written quotations, whenever possible. Quotations must be submitted on the standard request for quotation form provided by the Purchasing Department. Quotation documents and specifications can be issued and received by e-mail or fax transmission at the Department location. These quotations are not required to be posted on our website.
- 32.2 A purchase order shall be created for the recommended supplier and submitted by the Department with the three (3) quotes or a rationale in support of not obtaining three (3) quotes, for review and approval by Purchasing prior to issuing the purchase order to the supplier.

### **33. PREQUALIFICATION NOTICES AND STANDING PURCHASES**

- 33.1 The MFS has the right to limit contracts to Prequalified Suppliers provided that they have been determined acceptable by the City for a period not to exceed a total of three (3) years.
- 33.2 When required, the City will publish the request for prequalification in accordance with Article 508 of *Canadian Free Trade Agreement Consolidated 2017*, as may be amended from time to time, only once, at the beginning of the period of validity of the list, and will state the period of validity and the ending date.
- 33.3 The City may limit the number of Predetermined Suppliers that will be permitted to bid and the criteria for selecting the limited number of Suppliers.
- 33.4 The process for awarding the bid to a Prequalified Supplier will be determined through the Bid Analysis process.
- 33.5 The City may call for a standing arrangement which arrangement will be set out in the bid document and will describe how call-ups or orders under the standing arrangement will be made.
- 33.6 Long-term tenders and quotations may be entered into for everyday Goods and Services when the following conditions apply:
- To obtain satisfactory and or preferential pricing;
  - To provide uniformity within the Corporation;
  - To maintain departmental inventories as required;
  - To improve efficiency by reducing the amount of paperwork by eliminating day to day issuing of Purchase Orders and invoicing; or
  - To allow each department to have accurate figures for annual budgets for operating supplies.

### **34. QUOTATIONS (\$30,000 to \$100,000)**

- 34.1 Competitive sealed quotation bidding will be the source selection used when the following conditions prevail:

- a. The item to be purchased is budgeted to cost between \$30,000 and \$100,000;
- b. Clear and adequate specifications for the item or service are available or can be developed;
- c. Adequate competition is available - two or more responsible Bidders are able to satisfy the buyer's requirements and criteria set forth in the Invitation to Bid, and independently contend for the contract; and,
- d. Sufficient time is available for the preparation of bid invitations, advertising and preparation of bids submissions by Bidders.

34.2 Quotations to be awarded are not subject to City Council approval as provided for in this policy; however, prior notification to City Council through the Consent Agenda is required when seeking sealed quotes.

### **35. TENDERS (Greater than \$100,000)**

- 35.1 Competitive sealed tender bidding will be the source selection used when the conditions in Quotations prevail, with the exception the cost of the item to be purchased is budgeted to exceed \$100,000.
- 35.2 Prior notification to Council through the Consent Agenda is required when calling tenders. Council approval shall be in the form of a By-Law.

### **36. REQUEST FOR PROPOSAL - (RFP)**

- 36.1 A Request for Proposal is used when the goods/services are of a highly specialized or flexible nature. This allows the City to generalize the description of the project and this in turn has the vendors provide their bids on the latest and best products in their line.
- 36.2 Prior notification to City Council on the Consent Agenda is required. The evaluation criteria and process shall be approved by the MFS prior to the issuance of the RFP. Request for Proposals exceeding \$100,000 are to be awarded by By-law.



### **37. SOLE SOURCE PURCHASE (Non-competitive)**

37.1 A sole source supplier shall be the only acceptable Bidder who is able to furnish a certain product or service. In all cases, sole source purchases will not be permitted merely because there is a preference for a particular brand. The Department Head, in collaboration with the MFS, will be responsible for making all sole source determinations. In doing so and making such determinations, the Department Head must consider:

- a. Is there a lack of responsible competition for a product or service that is vital to the operation of the Corporation?
- b. Does the supplier possess exclusive capabilities?
- c. Is the product or service unique and easily established as one of a kind?
- d. Can program requirements be modified so that competitive products or services may be used?
- e. Are there patented or proprietary rights that fully demonstrate:
  - i. A feature providing a superior utility not obtainable from similar products?
  - ii. A product is available from only one prime source, and not merchandized through wholesalers, jobbers or retailers where competition could be encouraged.
- f. What would the user department do if the product or service were discontinued?

37.2 In the case of any sole source purchase, the MFS shall retain a statement signed by the Head of the department requiring the good or service, which verifies that the item or service purchased can be obtained from only one supplier and therefore meet the Sole Source criteria. Where the MFS and Department Head disagree that the purchase meets the criteria, the CAO will be required to determine if the purchase shall proceed by a sole source.

### **38. PURCHASE AT PUBLIC AUCTION**

38.1 In instances where a Department wishes to purchase through public auction, the Department Head shall advise the MFS of the conditions involved in the proposed transaction, prior to the event.

### **39. EMERGENCY PURCHASES**

- 39.1 For the purposes of this section, "Emergency" means an event or occurrence that the Chief Administrative Officer or Treasurer or Designate of the Chief Administrative Officer or Designate of the Treasurer deem as an immediate threat to:
- a. Public health;
  - b. The maintenance of essential City services; and/or
  - c. The welfare and protection of persons, property, or the environment; and the event or occurrence necessitates the immediate need for Goods or Services to mitigate the emergency and time does not permit for a competitive procurement process.
- 39.2 In the event of an Emergency the Chief Administrative Officer and their respective delegates, Fire Chief or a Deputy Fire Chief, or Chief Building Official or Deputy Chief Building Official are authorized to enter into a purchase agreement without the requirement for a formal competitive process.
- 39.3 A list of pre-qualified suppliers will be used to select the suppliers, whenever possible.
- 39.4 In the event of an emergency, there must be a notification sent (e-mail notice is acceptable) to the Purchasing Clerk or delegate. The steps taken to mitigate the Emergency must always be clearly documented regardless of amount. The emergency procurement shall be reported by the responsible Director to Committee and City Council (including the source of financing) at the next scheduled meeting following the event. The Director responsible for the area leading the emergency procurement must forward the appropriate purchase requisition(s) to the Purchasing Clerk or delegate within five (5) business days after the mitigation activities associated with the emergency event have been terminated.

### **40. DISPOSAL OF SURPLUS GOODS**

- 40.1 Department Directors or their designates must notify the MFS of any tangible capital assets to declare goods surplus and shall, from time to time, dispose of any surplus goods not required by the Corporation by way of:

- a. Offering to any other department;
  - b. sale by auction or consignment;
  - c. sealed bid; or,
  - d. donation to a charitable organization.
- 40.2 No employee, member of Council or the public shall be allowed to purchase any surplus goods directly from the City.
- 40.3 Surplus goods and/or products, at the discretion of the MFS and Department Head involved, may become the property of the Contractor, to be disposed of at their discretion.
- 40.4 In the event that the item does not sell by any of the means provided, the department may use an alternate method of disposal for example disposal as scrap material.

## **41. TECHNOLOGY SOLUTIONS**

- 41.1 All technology solutions that will be connected to a City of Stratford system or network including but not limited to computer equipment and peripherals, software solutions, telephone and cellular equipment, PDA's and portable computing devices, must be ordered through the Corporate Services Department of the City of Stratford. This Department will call quotations/tenders/requests for proposals for items over \$5,000 in accordance with this Policy. Exceptions to this clause include technology or automated solutions that do not require computer process, network or communication configuration.

## **42. EXEMPTION BY COUNCIL**

- 42.1 A Department may request exemption from any or all the purchasing methods outlined in this policy by submission of a report supporting the exemption and outlining the reasons for the exemption to Council. Such exemption may be granted by resolution.

## **43. RETENTION OF DOCUMENTATION**

- 43.1 All background information, information submitted by vendors, purchase orders and other relevant information involved in obtaining prices for Goods and Services shall be retained in the Department according to Records

Retention By-law and this Policy, as may be amended or revised from time to time.

#### **44. PURCHASING PROCESS REVIEW**

- 44.1 The MFS may randomly review departmental purchasing related files on an on-going basis to review the effectiveness and integrity of the processes and policy adherence. Every five (5) years this policy will be reviewed, or more frequently as required, with a report being made to Council.

#### **45. PURCHASING PROCEDURES**

- 45.1 Purchasing procedures as determined by the MFS shall be adhered to for purchasing Goods and Services in compliance with this policy at all times.

## Schedule "A"

### ELECTRONIC - BID IRREGULARITIES

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
1.	late bids	X		Bidding system does not allow.
2.	Method of deliver – Where the bid has been submitted via any other method other than through the Bidding system, where no such provision is allowed for in the bid.	X		Bid Declared Non-Compliant
3.	bid deposit not submitted with the bid when the bid request indicated that such deposit is required	X		Bidding system does not allow.
4.	EXECUTION OF AGREEMENT TO BOND: a. Bond company corporate seal or equivalent proof of authority to bind company or signature missing b. surety company not licensed to do business in Ontario	X X		Bid Declared Non-Compliant
5.	EXECUTION OF BID BONDS: a. corporate seal or equivalent proof of authority to bind company or signature of the BIDDER or both missing b. corporate seal or equivalent proof of authority to bind company or signature of BONDING COMPANY missing	X X		Bid Declared Non-Compliant
6.	pricing, specifications page or signature pages missing or unsigned	X		Bidding system does not allow.
7.	insufficient financial security (ie: no deposit or bid bond or insufficient deposit)	X		Bidding system does not allow.
8.	bid document does not acknowledge addendums issued	X		Bid Declared Non-Compliant
9.	EXECUTION OF BID DOCUMENT proof of authority to bind is missing	X		Bid Declared Non-Compliant

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
10.	part bids (all items not bid)	X or	X	acceptable unless complete bid has been specified in the request
11.	bids containing minor clerical errors		X	2 working days to correct initial errors
12.	alternate items bid in whole or in part		X	available for further consideration unless specified otherwise in request
13.	pages requiring completion of information by vendor are missing or incomplete	X		Bidding system will not allow.
14.	bid documents which suggest that the Bidder has made a major mistake in calculations or bid	X	X	consultation with a Solicitor on a case-by-case basis
15.	Bid qualified or restricted by a statement or alteration added to any part of the documents	X		Bid Declared Non-Compliant
16.	Bidder did not attend a mandatory site meeting.	X		Bid Declared Non-Compliant
17.	RFP bids do not meet any defined mandatory requirements stated in the document.	X		Bid Declared Non-Compliant
18.	Suspended Vendor – Bid received by a Bidder who has been suspended from the bidding process.	X		Bid Declared Non-Compliant
19.	Other Bid Irregularities			Ruling by Bid Review Panel – Bidder may be given up to five (5) business days to remedy the bid irregularity.

NOTE: All above noted should not be considered all-inclusive. The Manager of Financial Services, in consultation with the requisitioning department will review minor irregularities. The Manager of Financial Services may then accept the bid, or request that the Bidder rectify the deviation.

## HARD COPY - BID IRREGULARITIES

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
1.	late bids	X		automatic rejection
2.	bids completed in pencil	X		automatic rejection
3.	bid deposit not submitted with the bid when the bid request indicated that such deposit is required	X		automatic rejection
4.	EXECUTION OF AGREEMENT TO BOND: a. Bond company corporate seal or equivalent proof of authority to bind company or signature missing b. surety company not licensed to do business in Ontario	X X		automatic rejection automatic rejection
5.	EXECUTION OF BID BONDS: a. corporate seal or equivalent proof of authority to bind company or signature of the BIDDER or both missing b. corporate seal or equivalent proof of authority to bind company or signature of BONDING COMPANY missing	X X		automatic rejection automatic rejection
6.	unsealed tender envelopes	X		automatic rejection
7.	pricing, specifications page or signature pages missing or unsigned	X		automatic rejection
8.	insufficient financial security (ie: no deposit or bid bond or insufficient deposit)	X		where security is required and amount of security is specified in request, automatic rejection
9.	bid received on documents other than those provided in request	X		not acceptable unless specified otherwise in the request
10.	bid document does not acknowledge addendums issued	X		automatic rejection

ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
11.	EXECUTION OF BID DOCUMENT proof of authority to bind is missing	X		automatic rejection
12.	part bids (all items not bid)	X or	X	acceptable unless complete bid has been specified in the request
13.	bids containing minor clerical errors		X	2 working days to correct initial errors
14.	Un-initialled changes to the request documents which are minor		X	2 working days to correct initial errors
15.	alternate items bid in whole or in part		X	available for further consideration unless specified otherwise in request
16.	unit prices in the schedule of prices have been changed but not initialled		X	2 working days to correct initial errors
17.	other mathematical errors which are not consistent with the unit prices		X	2 working days to correct initial corrections
18.	pages requiring completion of information by vendor are missing or incomplete	X		automatic rejection
19.	bid documents which suggest that the Bidder has made a major mistake in calculations or bid	X	X	consultation with a Solicitor on a case-by-case basis
20.	Bid qualified or restricted by a statement or alteration added to any part of the documents	X		automatic rejection
21.	Bidder did not attend a mandatory site meeting.	X		automatic rejection
22.	RFP bids do not meet any defined mandatory requirements stated in the document.	X		automatic rejection



ITEM	DESCRIPTION	MAJOR	MINOR	ACTION
23.	Suspended Vendor – Bid received by a Bidder who has been suspended from the bidding process.	X		Automatic rejection
24.	Other Bid Irregularities			Ruling by Bid Review Panel – Bidder may be given up to five (5) business days to remedy the bid irregularity.

NOTE: All above noted should not be considered all-inclusive. The Manager of Financial Services, in consultation with the requisitioning department will review minor irregularities. The Manager may then accept the bid, or request that the Bidder rectify the deviation.

## Schedule “B” – Definitions

In this policy, the following words will have the following meanings:

“Accessibility” – means a general term used to describe the degree of ease that something (e.g., device, service and environment) can be used and enjoyed by persons with a disability. The term implies conscious planning, design and/or effort to ensure it is barrier-free to persons with a disability, and by extension, highly usable and practical for the general population as well.

“Authority or Authorized” – the right to conduct the subject task as directed by Council either through resolution or through the approval of the annual Departmental budget (budget process and adoption.)

“Award” - when a Submission is formally accepted by the City, either by Council or by delegated authority as permitted in this policy.

“Bid” – an offer or submission received in response to a sealed quotation, sealed tender, RFP, RFI or RFPO, which is subject to acceptance or rejection.

“Bid Deposit” - Security to ensure that the successful Supplier on a Solicitation enters into a Contract with the City.

“Bidder” – a person or enterprise that submits a Bid.

“Blackout Period” – means the period of time from when the bid call document is released until the final award.

“Board” - An entity independent of the City, but recognized by Council as an agency which may take advantage of the City’s purchasing power or process, in accordance with this Policy. Without limiting the generality of the foregoing, the Stratford City Centre Business Improvement Area, Perth & Stratford Housing Corporation, and Board of Park Management shall be considered a “Board”.

“City” - The Corporation of the City of Stratford.

"Closing Time" - The place, date and time set by the Bid Documents for receipt of Responses.

"Competition" – means the solicitation of bids through a publicly posted solicitation document.

"Competitive Process" – means either an open Competition or an Invitational Competition.

"Consultants" - The supply of expertise or strategic advice that is presented for consideration and decision-making, or the guidance or execution of a specific project or undertaking and includes professional services such as engineering and architecture.

"Construction" - Construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other work, but does not include Consulting Services related to the Construction unless they are specifically included in the Purchase.

"Contract" - A document to evidence an agreement for the purchase of deliverables, and includes both a Purchase Order and a Formal Agreement.

"Corporation or "Municipality" – The Corporation of the City of Stratford.

"Council" – means the Council of the City.

"Department Head" - The designated lead of a City Department responsible for direction and operation of a Department.

"Deliverable(s)" – means any goods and services or construction or combination thereof.

"Designate" – An individual duly appointed to act on behalf of the authorized authority.

"Disposal" – The transfer of ownership of Property by the City by sale, trade in, donation, alternative use or destruction.

"Elected Official" – a member of the Council for the City.

"Goods" – Any moveable property, including the costs of installing, maintaining or manufacturing such moveable property, including raw materials, products, equipment and other physical objects of every kind and description, whether in solid, liquid, gaseous or electronic form, unless they are purchased in connection with Construction.

"In House Bids" – means a bid made by a department and authorized by the supervisor/manager/director responsible for that department, submitted in response to a call for a bid, where the provision of Goods or Services will be entirely by the employees of the City.

"Invitational Competition" – means a competitive process in which an invitation to submit bids is issued by City.

"Insurance" – the amount and type of insurance coverage required by the City, to the satisfaction of the Treasurer. Evidence of adequate insurance coverage will be by certified documents issued by an insurance company licensed to operate in the Province of Ontario, certifying that the bidder is insured in accordance with the Municipality's insurance requirements.

"Non-competitive Procurement" – acquisition of goods and services without comparing pricing or product/service information from multiple vendors.

"Procedures" – a sequence of steps or actions establishing expectations of how the policies in this by-law are to be implemented.

"Procurement" or "Purchasing" - the acquisition of Deliverables by any means, including rental and leasing, and the functions that pertain to the acquisition of Deliverables, and "Purchasing" shall have a corresponding meaning.

"Purchasing Department" – The division of the Corporate Services Department, Finance Division charged with carrying out the Purchasing function.

"Purchaser Order/PO" – A standard Contract issued by the City to a Supplier to evidence an agreement for the purchase of Deliverables.

"Quotation" – prices on specific Goods and Services obtained formally through a Request for Quotation or informally from selected sources, which are submitted verbally, in writing, by e-mail or transmitted by facsimile.

"RFP" – Request for proposal, a process in which a need is identified, nonetheless the method by which it will be achieved is not necessarily known at the outset and price is not the only evaluation being considered.

"RFQ" – Request for quotations, including formal and informal quotations, but not including RFPs or RFTs.

"RFT" – Request for tender, a process to request Supplier responses to supply Deliverables in compliance with stated requirements, performance specifications, and terms and conditions and evaluation is made solely on price.

"Sealed Bid" – a Bid submitted in a sealed envelope to a specified location, by a specified date, at a specified time.

"Services" – Intangible products not having a physical presence.

"Solicitation Document" – means the document issued by the City to solicit Bids from Bidders, including but not limited to RFTs, RFPs and RFQs.

"Specifications" – Description of the physical or functional characteristics or the nature of a supply, service, equipment or construction item and may include requirements for inspection, testing, or preparing a Deliverable, and may also include drawings or samples or other means of illustrating the requirements.

"Supplier" - means a person, corporation or other entity carrying on the business of providing goods, services or construction.

"Surplus Goods" – any items no longer having any use to the City or in excess of the needs of the City, inclusive but not limited to obsolete supplies, scrap materials and vehicles, but excluding real property.

"Tender" – means an offer to procure, which specifies characteristics required and is set out in the Solicitation Document, which solicits a Bid.

"Website" - The City's website at <http://www.stratfordcanada.ca>

DRAFT

# The Corporation of the City of Stratford

## Policy Manual

### C.2 Consultants

Dept: CAO's Office

Committee: Finance and Labour Relations

## C.2.1 Hiring of Consultants

Adopted: April 12, 1999 by R99-125  
 Amended: March 12, 2001 by R2001-104; November 13, 2007  
 Reaffirmed:  
 Related Documents: Delegation of Authority By-law 135-2017  
☒ Council Policy ☐ Administrative Policy

### **PURPOSE AND SCOPE:**

This policy is for the guidance and direction of elected officials and employees of the City of Stratford when the City is in a position to hire a consultant. From time to time, consultants are required to provide specialized expertise on various matters involving engineers, architects and management professionals. Consultants would not involve the City's ongoing legal counsel, audit services and ongoing planning advice (special projects excluded).

### **OVERVIEW:**

Approval to proceed to engage consultants must be received either in budget approval or by resolution of Council.

### **POLICY:**

For projects where the consultant's fees are expected to be in excess of \$60,000 for an individual project, the following procedure will apply:

1. A Selection Committee shall be recommended by the department head and approved by the Chief Administrative Officer.
2. If the cost of the consultant is expected to exceed \$100,000, the Mayor and 2 members of Council, as well as 2 members of staff, will sit on the Selection Committee. The Mayor may ask that Council select a member to sit in his or her stead.
3. If the project is a continuation of previous work for which there is an obvious economic benefit to continue with the same consultant, the Director may seek Council's permission to request for a single proposal for the project, which proposal must then receive Council approval.

4. The appropriate department shall either advertise for or shall invite requests for proposal from consultants. If inviting requests for proposals, at least 6 consultants including all local consultants known to do this type of work shall be contacted.
5. Requests for proposals will be submitted in two separate sealed envelopes; namely the Proposal as Part A, and the Fee, including disbursements, to do the work as Part B.
6. The Selection Committee will develop a "Consultant Evaluation Matrix" for the project
7. The Proposal and Fee envelopes will be opened by the Purchasing officer with the Fee envelope information being held in confidence by the Purchasing Officer until the Selection Committee has completed the technical evaluation of the Consultants.
8. The Selection Committee may conduct an optional interview of Consultants.
9. The Selection Committee will evaluate and mark the Technical merit of each of the Consultant proposals using the "Consultant Evaluation Matrix".
10. The Selection Committee will rank the Consultants based on total technical evaluation mark from "Consultant Evaluation Matrix".
11. After the Selection Committee agrees on the Technical ranking of the Consultant, the Fee envelope Part B information is obtained from the Purchasing Officer and the appropriate mark is added to the Consultant Evaluation Matrix to determine the Consultant with the highest total combined mark.
12. The Selection Committee will recommend selection of a consultant to Council through the Chief Administrative Officer.
13. It is understood that Council may under special circumstances (such as large Consultant fee variance) award the project to a different Consultant than that recommended by the Selection Committee.





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## MANAGEMENT REPORT

**Date:** April 16, 2019  
**To:** Finance and Labour Relations Sub-committee  
**From:** Tatiana Dafoe, Deputy Clerk  
**Report#:** COU19-031  
**Attachments:** Draft Pregnancy and Parental Leave for Members of Council Policy C.3.15

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**Title:** Pregnancy and Parental Leave for Members of Council Policy

**Objective:** To receive Council approval of the Pregnancy and Parental Leave for Members of Council Policy C.3.15

**Background:** Bill 68: "Modernizing Ontario's Municipal Legislation Act" reviewed and amended two significant pieces of legislation in Ontario: the *Municipal Act, 2001* and the *Municipal Conflict of Interest Act*.

One amendment to the *Municipal Act, 2001* was the requirement for municipalities to adopt new policies, one being a policy to permit pregnancy and parental leave of members of Council. This requirement was proclaimed in force on March 1, 2019.

**Analysis:** The attached draft policy meets the requirements of the *Municipal Act, 2001* as amended by Bill 68. Under the policy, the offices of council members could not be deemed vacant due to a related absence for 20 consecutive weeks or less due to a pregnancy, the birth of the member's child or the adoption of a child by the member.

The draft policy also includes provisions to ensure a member reserves the right to participate as an active Member of Council at any time during his or her leave. In addition, the policy provides for the member to be paid during their absence and that any other expenses normally paid will continue to be covered in accordance with By-law 20-98.

**Financial Impact:** Under the current process, members of Council wishing to take a pregnancy or parental leave would be required to request a leave of absence which is unpaid. Under the recommended policy, the member would be entitled to payment and any other expenses normally paid would also be covered.

The exact financial implications are unknown at this time as the City is undertaking a review of council remuneration. Detailed information on the financial impacts will be provided following completion of this review.

**Staff Recommendation: THAT the report entitled "Pregnancy and Parental Leave for Members of Council Policy" be received for information;**

**AND THAT the Pregnancy and Parental Leave for Members of Council Policy C.3.15 be approved.**



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Tatiana Dafoe, Deputy Clerk



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Michael Humble, Director of Corporate Services



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Rob Horne, Chief Administrative Officer

# The Corporation of the City of Stratford

## Policy Manual

### C.3 Council and Committees

Dept: Corporate Services Department

Committee: Finance and Labour Relations

## C.3.15 Pregnancy and Parental Leave for Members of Council

Adopted:

Amended:

Reaffirmed:

Related Documents: Procedural By-law, By-law 20-98

☒ Council Policy ☐ Administrative Policy

### 1.0 LEGISLATION

Section 270 of the Municipal Act, 2001, provides that:

- (1) A municipality shall adopt and maintain policies with respect to the following matters:
8. Pregnancy leaves and parental leaves of members of council.

### 2.0 POLICY STATEMENT

The City Stratford recognizes a member of Council's right to take leave for a pregnancy, the birth of the member's child or the adoption of a child by the member as required by and in accordance with section 270 of the *Municipal Act, 2001*. The City is committed to providing a clear and transparent process for members of Council on pregnancy and parental leaves as permitted by the Act.

### 3.0 PURPOSE AND SCOPE

The purpose of the policy is to establish a procedure for members of Council declaring a pregnancy and parental leave and to identify the remuneration package and other administrative matters.

In accordance with Section 270 of the *Municipal Act, 2001*, this policy applies to a member of Council who is absent from meetings of council for at least three consecutive months (20 weeks or less) as a result of the member's pregnancy, the birth of the member's child or the adoption of a child by the member.

#### 4.0 DEFINITIONS:

For the purposes of this Policy:

**"Act"** means the *Municipal Act, 2001*, as amended;

**"City"** means The Corporation of the City of Stratford;

**"Member"** means a member of Stratford City Council;

**"Pregnancy and/or Parental Leave"** means an absence of 20 consecutive weeks or less as a result of a Member's pregnancy, the birth of a Member's child or the adoption of a child by the Member in accordance with Section 259 (1.1) of the *Municipal Act, 2001*.

#### 5.0 PROCEDURES

1. City Council supports a Member of Council's right to pregnancy and/or parental leave in keeping with the following principles:
  - A Member of Council is elected to represent the interests of his or her constituents.
  - A Member's pregnancy and/or parental leave does not require Council approval and his or her office cannot be declared vacant as a result of the leave.
  - Legislative and administrative matters requiring action during a Member's pregnancy and/or parental leave should be addressed in a manner that is consistent with the Member's wishes.
  - A Member of Council on pregnancy and/or parental leave shall reserve the right to exercise his or her delegated authority at any time during their leave.
2. The office of a member of Council shall not become vacant if a member is absent for 20 consecutive weeks or less if the absence is a result of the member's pregnancy, the birth of the member's child or the adoption of a child by the member.
3. Prior to the member missing meetings of Council for three consecutive months, a member of Council shall complete the Leave of Absence Form attached as Schedule A to this policy and submit the form to the City Clerk.
4. A member of Council on pregnancy or paternity leave is exempt from attending meetings of council and any other City of Stratford committee to which the member has been appointed.
5. Members of Council shall continue to receive a copy of the Council agenda.
6. Members of Council on pregnancy or paternity leave shall participate in events, conferences, committee meetings, constituent meetings or respond to communications at the level they determine, utilizing an out of office email feature to identify they are on leave, the level of service offered and an alternate contact if required.
7. Members of Council on pregnancy or paternity leave shall continue to receive remuneration in accordance with By-law 20-98.

8. Members of Council on pregnancy or paternity leave shall continue to have access to all equipment supplied to a regular member including but not limited to access to their information technology equipment and e-mail account.

## **6.0 REVIEW**

This policy will be reviewed as required due to legislative changes.

DRAFT



### **Member of Council Request for a Leave of Absence**

While completing this form please refer to Policy C.3.15: Pregnancy and Parental Leave for Members of Council, if the request for a leave is as a result of the member's pregnancy, the birth of the member's child or the adoption of a child by the member.

#### **1) PREGNANCY OR PARENTAL LEAVE UP TO 20 WEEKS**

Complete this section of the Leave of Absence form if the Leave of Absence is for 20 consecutive weeks or less.

Member of Council Name:

Leave Begin Date:

Expected Date of Return:

#### **2) LEAVE ADMINISTRATION**

Would you like to receive the Council agenda while on leave? Yes: ☐ No: ☐

Address to send the Council packet:

Will you initiate an out of office message during leave? Yes: ☐ No: ☐

If yes, indicate member of Council or staff person to be identified as alternate contact for out of office message:

Do you wish to receive mail and event invitations during leave? Yes: ☐ No: ☐

If yes all mail and invitations will be scanned and sent electronically. Provide preferred email address:



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## MANAGEMENT REPORT

**Date:** April 16, 2019  
**To:** Finance & Labour Relations Sub-committee  
**From:** Michael Humble, Director of Corporate Services  
**Report#:** COU19-027  
**Attachments:** Attachment 1 - Financial Report As At December 31 2018

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**Title:** 2018 Year End Results

**Objective:** To provide Mayor and Council with information regarding the 2018 fiscal year end results and the disposition of surpluses / funding of deficits.

**Background:** As part of best budgeting practices, a municipality should evaluate its financial performance relative to the adopted budget.

Staff is offering Council a review of the 2018 year end position, the resulting fund surplus/deficits and their disposition.

**Analysis:** All year end adjusting entries have now been made awaiting the auditor's review scheduled for the week of April 25<sup>th</sup> to 29<sup>th</sup>.

Rate supported operations close out to their own reserves and the following is a list of final positions and the reserve transfers that have been made.

Commentary on financial performance has not been provided here, but Attachment 1 will serve to highlight those operations that experienced unresolved fiscal challenges during 2018.

### User Pay Operations

By definition, these operations close out to their own operating contingency or capital funding reserves without contribution from the general tax supported fund.

New for 2019 are rate stabilization funds for Water and Wastewater. These enable the funds required to be set aside for future capital needs to remain unaffected by the yearly

fluctuations of operating activities, and also ensures that the appropriate amount of funds for capital projects will be available when needed.

Wastewater operations finished the year with a **surplus** of \$295,914.40 which was closed out to the Wastewater Rate Stabilization Reserve G-R18-WWTR-0000.

Water operations finished the year with a **surplus** of \$169,892.03 which was closed out to the Water Rate Stabilization Reserve G-R18-WATR-0000.

Waste Management operations finished the year with a **surplus** of \$475,774.00 which was closed out to the Waste Management Capital Reserve Fund R-R11-WAST.

Parking operations experienced an overall surplus of \$676,693.98 and after leaving the budgeted amount of \$254,100 in operations as revenue, the residual **surplus** of \$422,593.98 was transferred to Parking Capital Reserve Fund R-R11-PRKG.

Building Division experienced a **surplus** of \$59,560.01 after consideration of direct and indirect costs. In keeping with the direction of Bill 124, this amount was transferred to the Building Permit reserve G-R07-BSUR-0000.

#### Tax Supported Operations

The divisional challenges experienced during 2018 were well reported to Council by way of regular operating variance reports. Early identification of fiscal challenges enabled staff to react and mitigate any deficit projections by in-year operational adjustments.

In 2018, the City also benefitted from:

- significant building permit activity which translated to in-year supplemental tax billing;
- lower than anticipated tax write-offs; and
- higher investment revenue due to change in investment strategy and rising interest rates.

The general tax supported fund which comprises all City services other than those specifically listed above finished the year in a **surplus** position of \$53,677.52

As in any year, some City operations were under budget while others experienced unresolved financial challenges to finish over their approved budget. Details can be found on Attachment 1.

This relatively small surplus shall be closed out to the Tax Rate Stabilization reserve (balance is currently \$413,365.73), the purpose of which is to maintain a reserve balance capable of absorbing yearly operating deficits and in-year unexpected expenditures.



The Reserve and Reserve Fund policy suggests an appropriate balance of "5% of previous year's municipal tax levy with a minimum balance of \$500,000".

This would suggest a range of \$500,000 to \$2,846,000.

The Tax Rate Stabilization Reserve is the City's cushion to smooth year to year operational challenges and offers the flexibility to react outside the budget process to emergent opportunities.

Any funds drawn from the Reserve are viewed as short term operational funding only to bridge the timeline to the next budget process, at which time funds withdrawn should be budgeted to be replaced.

**Financial Impact:** As noted above.

**Staff Recommendation: THAT the report of the Director of Corporate Services dated April 16, 2019 regarding 2018 year end results be received;**

**AND THAT the Wastewater surplus of \$295,914.40 be closed out to the Wastewater Rate Stabilization Reserve G-R18-WWTR-0000;**

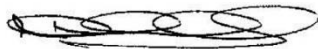
**AND THAT the Water surplus of \$169,892.03 be closed out to the Water Rate Stabilization Reserve G-R18-WATR-0000;**

**AND THAT the Waste Management surplus of \$475,774.00 be closed out to the Waste Management Capital Reserve Fund R-R11-WAST;**

**AND THAT the Building Division surplus of \$59,560.01 be closed out to the Building Permit Reserve G-R07-BSUR-0000;**

**AND THAT the Parking surplus of \$422,593.98 be closed out to the Parking Capital Reserve Fund R-R11-PRKG;**

**AND THAT the Tax Supported surplus of \$53,677.52 be closed out to the Tax Rate Stabilization reserve G-R14-TAXS-0000.**




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Michael Humble, Director of Corporate Services




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Rob Horne, Chief Administrative Officer

## City of Stratford

## Operating Variance Report As At 31st December 2018

Department	2018 Budget	31-Dec Results	% of Budget	Surplus / (Deficit) ACTUAL Variance At 31 Dec 2018	Explanation
<b><u>Mayor/Council/CAO Office</u></b>					
101 - Mayor's Office	87,744	88,575	100.9	(831)	
102 - Council Services	222,584	216,491	97.3	6,093	
111 - CAO's Office	650,112	667,514	102.7	(17,402)	
<b><u>Human Resources</u></b>					
112 - Human Resources	598,524	583,784	97.5	14,740	
<b><u>Corporate Services</u></b>					
121 - City Clerk	494,100	503,423	101.9	(9,323)	
131 - Financial Services	1,303,850	1,246,239	95.6	57,611	
134 - Information Technology	853,761	868,702	101.8	(14,941)	
135 - Parking	(254,100)	(254,100)	100.0	0	Revenue was \$77,000 over budget and expenses were \$45,000 under budget.
136 - Crossing Guards	220,404	204,627	92.8	15,777	Traffic warrant studies were not undertaken in 2018 due to resource constraints.
139 - General Financial Services	6,243,112	6,171,640	98.9	71,472	
810 - Requisitions from Others	8,515,434	8,535,323	100.2	(19,889)	
820 - Other Municipal Services	203,166	160,980	79.2	42,186	Committees and Parks Patrol under budget.
872 - Community Grants	567,225	778,159	137.2	(210,934)	Grant to Stratford Perth Rotary Hospice approved in 2018.
<b><u>Infrastructure &amp; Development Services</u></b>					
141 - City Building Maintenance	721,859	703,340	97.4	18,519	
251 - Development Services					
** Building Inspection	(21,353)	0	0.0	(21,353)	
** ByLaw Enforcement	161,290	145,596	90.3	15,694	Legal fees (\$9,000) and payroll costs (\$5,000) were under budget.
** Planning & Zoning	206,406	122,909	59.5	83,497	Revenue was \$61,000 greater than expected. Legal fees (\$16,000) and Consultants (\$9,000) were under budget.
** Committee of Adjustment	63,051	82,082	130.2	(19,031)	Revenue was \$9,000 less than expected and payroll costs were \$15,000 over budget.
310 - Engineering	924,895	1,449,215	156.7	(524,320)	Engineering charges to capital projects were \$347,000 under budget. Payroll costs were \$187,000 over budget.
320 - Roads	6,312,670	6,419,086	101.7	(106,416)	
340 - Storm	567,757	555,258	97.8	12,499	
<b><u>Fire</u></b>					
211 - Fire	7,137,320	7,486,676	104.9	(349,356)	Salary costs not fully annualized from last year of contract. Unexpected vehicle repairs and fuel costs are over budget.
512 - Airport	173,862	230,619	132.6	(56,757)	Unforeseen tree trimming requirements.

## City of Stratford

## Operating Variance Report As At 31st December 2018

Department	2018 Budget	31-Dec Results	% of Budget	Surplus / (Deficit) ACTUAL Variance At 31 Dec 2018	Explanation
<b><u>Community Services</u></b>					
711 - Parks	2,106,712	2,001,728	95.0	104,984	
721 - Recreation	2,724,832	2,882,698	105.8	(157,866)	Part-time salaries over budget by \$146,000 due to the change in management of the Ag –plex and longer operating hours attributed to the moving of the SLAAA from KCC. Lost revenue from KCC in room rental and the Stratford Festival Theatre rental (\$117,000).
731 - Cemetery	233,993	181,635	77.6	52,358	Payroll costs under budget.
750 - Transit	1,576,770	1,761,961	111.7	(185,191)	Fare revenue under budget by \$66,000. Expenses over budget due to fuel costs and bus repairs.
751 - Parallel Transit	408,729	389,866	95.4	18,863	
<b><u>Social Services</u></b>					
611 - Social Services/Ontario Works	615,479	592,290	96.2	23,189	
614 - Social Housing	0	0		0	
615 - Housing	1,970,692	1,691,255	85.8	279,437	A number of expenditure accounts were under budget: Social Housing subsidies (\$421,000), payroll costs (\$312,000) and utilities (\$163,000). These savings were partially offset by increased repair costs (\$369,000).
616 - Child Care	330,137	293,817	89.0	36,320	Some wages and Special Needs Assistance costs were transferred to the Early Learning and Child Development Division in order to maximize 100% Ministry funding.
617 - Early Learning & Child Development	0	0		0	
613 - Anne Hathaway Day Care	(28,424)	(25,702)	90.4	(2,722)	
<b><u>Police</u></b>					
231 - Police	10,757,234	10,454,719	97.2	302,515	
<b><u>Library</u></b>					
411 - Library	2,278,002	2,262,515	99.3	15,487	
<b>Total Tax Supported Expenses</b>	<b>58,927,829</b>	<b>59,452,919</b>	<b>100.9</b>	<b>(525,090)</b>	
<b>TREASURY REVENUES</b>					
Municipal Taxation	(56,677,079)	(56,677,076)	100.0	(3)	
Payments In Lieu	(200,750)	(238,826)	119.0	38,076	New Landfill tax class is retained by City and not shared with Province.
Festival Hydro Dividends	(2,150,000)	(1,967,948)	91.5	(182,052)	Top Up Dividend not yet declared by Hydro Board.
Rebates and Write-offs	1,000,000	812,834	81.3	187,166	Variance caused by timing of appeal procedures. Budget is set based on multi-year average.
Supps and Omits	(900,000)	(1,381,904)	153.5	481,904	High volume of building permit activity.
<b>Total Treasury Revenues</b>	<b>(58,927,829)</b>	<b>(59,452,919)</b>	<b>100.9</b>	<b>525,090</b>	
<b>Tax Supported Surplus / (Deficit)</b>	<b>0</b>	<b>0</b>		<b>0</b>	

# City of Stratford

## Operating Variance Report As At 31st December 2018

Department	2018 Budget	31-Dec Results	% of Budget	Surplus / (Deficit) ACTUAL Variance At 31 Dec 2018	Explanation
<b>USER PAY DEPARTMENTS</b>					
330 - Sanitary	0	0		0	Revenues were 2.25% over budget and expenses were 2.15% under budget.
350 - Water	0	0		0	Revenues were 4.65% over budget.
360 - Waste	0	0		0	Revenues were 5.5% over budget and expenses were 10% under budget.
<b>User Pay Surplus / (Deficit)</b>	<b>0</b>	<b>0</b>		<b>0</b>	



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## MANAGEMENT REPORT

**Date:** April 16, 2019  
**To:** Finance & Labour Relations Sub-committee  
**From:** Michael Humble, Director of Corporate Services  
**Report#:** COU19-029  
**Attachments:** 2019 Annual Repayment Limit (MMAH)

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**Title:** 2019 Municipal Debt Limits

**Objective:** To review the City's Annual Repayment Limit (ARL) and current borrowing capacity with Council.

**Background:** On an annual basis, the Ministry of Municipal Affairs & Housing (MMAH) issues a report to municipalities indicating the maximum amount available to commit to payments relating to debt and financial obligations. The limit is calculated as 25% of annual operating fund revenues (excluding certain revenues such as government grants and transfers from reserves and reserve funds).

The ARL is prepared in accordance with Ontario Regulation 403/02 based on the second previous year's Financial Information Return (FIR) that is submitted annually to MMAH.

This report provides Council with information with respect to the City's existing levels of long term debt as well as the additional long term borrowing that could be available as per the provincial guidelines.

**Analysis:** Attached to this report is a copy of the 2019 Annual Repayment Limit, provided by MMAH in March 2019.

The 2019 ARL is based on information from the 2017 FIR. The ARL is then adjusted by the City Treasurer to reflect debt commitments and transactions that have occurred subsequent to December 31, 2017, which ultimately impact the adjusted ARL as of 1<sup>st</sup> January 2019.

The calculation for the City of Stratford's 2019 ARL effective 1<sup>st</sup> January 2019, as provided by MMAH, is as follows:

	<b>Amount</b>
2017 Net Revenues	\$90,511,575
25% of Net Revenues	22,627,894
Less 2017 Net Debt Charges	(8,335,042)
<b>Unadjusted Annual Repayment Limit</b>	<b>\$14,292,852</b>

The following calculations reflect the City Treasurer's adjustments for debt commitments and transactions that have occurred subsequent to 31<sup>st</sup> December 2017.

The calculations reflect adjustments for:

- Council-approved long-term debt that has been approved but not yet financed as of 1<sup>st</sup> January 2019 in the amount of \$13.9 million.
- Adjustments for annual debt payments (new and expired) that are not included in the MMAH unadjusted ARL calculation, including payments related to new debt issued in 2018.

Assumptions have been made, where required, in calculating adjustments using an effective interest rate of 4% and loan periods of 7 to 15 years that match cash flow receipt of development charge funds and / or appropriate borrowing terms for the underlying assets.

The rate of interest and term is provided for illustration purposes only. The actual rate of interest will depend on market conditions and the term of debenture selected if borrowing requirements are pooled.

	<b>Amount</b>
<b>Unadjusted Annual Repayment Limit</b>	<b>\$14,292,852</b>
Change Due to 2018 Debt Servicing	216,746
2018 Issue of \$6.1m	(596,892)
Approved debt funding of capital projects not yet issued (\$13.9m @ 4%)	(1,820,833)
<b>Adjusted Annual Repayment Limit</b>	<b>\$12,091,873</b>

The adjusted ARL as at 1<sup>st</sup> January 2019 would allow the City to undertake additional long-term borrowings as outlined in the table below based on assumptions for anticipated rates of interest over varying terms. These amounts reflect the maximum amount of new debentures that may be issued according to provincial guidelines.

<b>Annual Debt Charges</b>	<b>Interest Rate</b>	<b>Term (Years)</b>	<b>Debenture Amount</b>
\$12,091,873	5.0%	15	\$105.7m
\$12,091,873	5.0%	25	\$135.9m

## Long-Term Debt Position and Total Debt Capacity at 31<sup>st</sup> December 2018

At 31<sup>st</sup> December 2018, the City has physically borrowed 38.52% of its borrowing capacity (\$68.7m), but MMAH regulations include “approved not issued debt.” (\$13.9m)

Under MMAH regulations we are at 46.56% of our available borrowing capacity.

Additional debt capacity available to the City, based on the adjusted annual debt repayment limit above, is approximately \$106 million to \$136 million (based on a 5% interest rate) resulting in maximum debt capacity available to the City based on provincial guidelines of approximately \$188 million to \$218 million.

We are paying down currently existing debt at the rate of around \$6.3m per year.

### Total Approved Debt By Source

The table below provides summary information on the total approved debt, both issued and approved but pending, categorized by the nature of the repayment obligations.

	Tax	Utility	User	
	Supported	Rates	Charges	TOTAL
	\$m	\$m	\$m	\$m
Debt Issued at 31/12/2018	38.2	22.9	7.6	68.7
Debt Approved But Not Issued	8.8		5.0	13.8
<b>Total Approved Debt At 31/12/2018</b>	<b>47.0</b>	<b>22.9</b>	<b>12.6</b>	<b>82.5</b>
Percentage By Source	57.0%	27.8%	15.3%	100.0%

### Projected Debt Balances

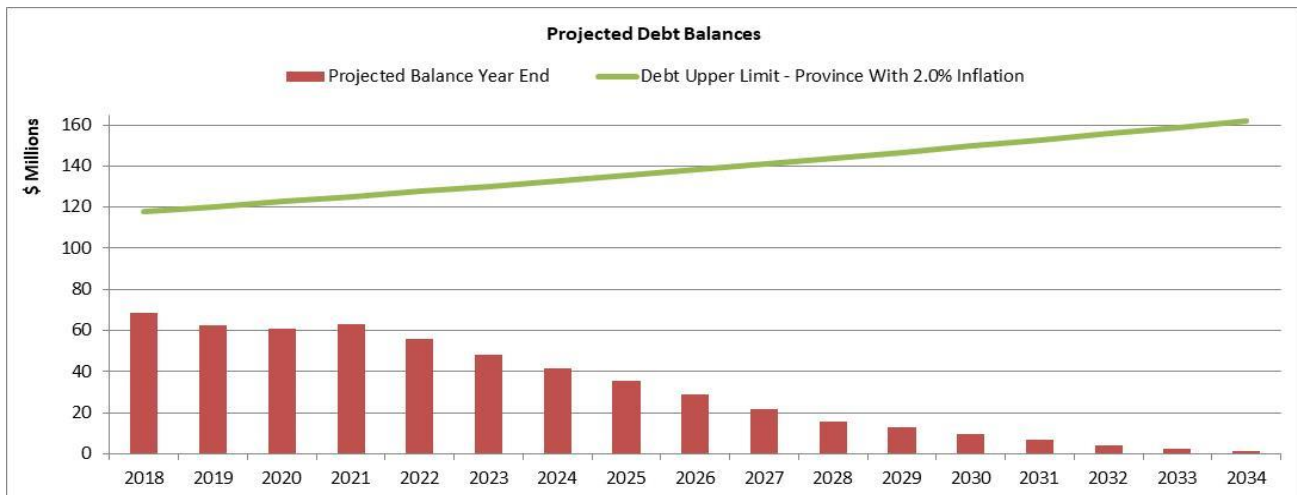
The graph below projects existing and approved debt balances by year and reflects assumptions for the expected timing of debt issuance as well as estimated annual principal repayments.

The graph includes a line that reflects the provincial ceiling indexed at the rate of 2% to which the City could borrow and be within its debt capacity level.

The City does not have a Debt Management Policy that would establish borrowing limits and define the types of projects to be funded by long term borrowing and the terms that could be considered for each project.

This policy will be prepared in the coming months and be presented to Council for its consideration.

As Council continues to review its Strategic Priorities for the current term, a debt management policy will assist in providing guidance for capital funding strategies and ensure they fall within approved and legislated parameters.



### Capital Lease Financing Agreements

In accordance with Ontario Regulation 653/05 of the *Municipal Act, 2001*, and the City's Lease Financing policy (F.1.10), the City Treasurer is required to report annually on capital lease financing agreements.

The Stratford Police Service has acquired two vehicles by way of long term capital leases. The outstanding balance is \$26,302 at 31<sup>st</sup> December 2018 which is 0.04% of the total long term financing arrangements of the City.

This proportion has not materially changed since the date of the last required report (31<sup>st</sup> December 2017).

In my opinion, all financing leases were made in accordance with Ontario Regulation 653/05 of the *Municipal Act, 2001*, and the City's Lease Financing policy (F.1.10).

**Financial Impact:** None.

**Staff Recommendation:** THAT the report of the Director of Corporate Services dated April 16, 2019 regarding 2019 Municipal Debt Limits be received for information.



A handwritten signature in black ink, appearing to read "Michael Humble", with a horizontal line drawn underneath it.

Michael Humble, Director of Corporate Services

A handwritten signature in black ink, appearing to read "Rob Horne", with a horizontal line drawn underneath it.

Rob Horne, Chief Administrative Officer

## 2019 ANNUAL REPAYMENT LIMIT

(UNDER ONTARIO REGULATION 403 / 02)

**MMAH CODE:** 65101  
**MUNID:** 31011  
**MUNICIPALITY:** Stratford C  
**UPPER TIER:**  
**REPAYMENT LIMIT:** \$ 14,292,852

The repayment limit has been calculated based on data contained in the 2017 Financial Information Return, as submitted to the Ministry. This limit represents the maximum amount which the municipality had available as of December 31, 2017 to commit to payments relating to debt and financial obligation. Prior to the authorization by Council of a long term debt or financial obligation, this limit must be adjusted by the Treasurer in the prescribed manner. The limit is effective January 01, 2019

### FOR ILLUSTRATION PURPOSES ONLY,

The additional long-term borrowing which a municipality could undertake over a 5-year, a 10-year, a 15-year and a 20-year period is shown.

If the municipalities could borrow at 5% or 7% annually, the annual repayment limits shown above would allow it to undertake additional long-term borrowing as follows:

5% Interest Rate			
(a)	20 years @ 5% p.a.	\$	178,120,525
(a)	15 years @ 5% p.a.	\$	148,354,914
(a)	10 years @ 5% p.a.	\$	110,365,613
(a)	5 years @ 5% p.a.	\$	61,880,568
7% Interest Rate			
(a)	20 years @ 7% p.a.	\$	151,418,675
(a)	15 years @ 7% p.a.	\$	130,178,065
(a)	10 years @ 7% p.a.	\$	100,387,010
(a)	5 years @ 7% p.a.	\$	58,603,514

# 163 DETERMINATION OF ANNUAL DEBT REPAYMENT LIMIT (UNDER ONTARIO REGULATION 403/02)

MUNICIPALITY:

**Stratford C**

MMAH CODE:

**65101**

## Debt Charges for the Current Year

		1 \$
0210	Principal (SLC 74 3099 01). . . . .	6,017,000
0220	Interest (SLC 74 3099 02). . . . .	2,318,042
0299	<b>Subtotal</b>	<b>8,335,042</b>
0610	Payments for Long Term Commitments and Liabilities financed from the consolidated statement of operations (SLC 42 6010 01) . . . . .	0
9910	<b>Total Debt Charges</b>	<b>8,335,042</b>

## Amounts Recovered from Unconsolidated Entities

		1 \$
1010	Electricity - Principal (SLC 74 3030 01) . . . . .	0
1020	Electricity - Interest (SLC 74 3030 02) . . . . .	0
1030	Gas - Principal (SLC 74 3040 01) . . . . .	0
1040	Gas - Interest (SLC 74 3040 02) . . . . .	0
1050	Telephone - Principal (SLC 74 3050 01) . . . . .	0
1060	Telephone - Interest (SLC 74 3050 02) . . . . .	0
1099	<b>Subtotal</b>	<b>0</b>
1410	Debt Charges for Tile Drainage/Shoreline Assistance (SLC 74 3015 01 + SLC 74 3015 02) . . . . .	0
1411	Provincial Grant funding for repayment of long term debt (SLC 74 3120 01 + SLC 74 3120 02). . . . .	0
1412	Lump sum (balloon) repayments of long term debt (SLC 74 3110 01 + SLC 74 3110 02). . . . .	0
1420	<b>Total Debt Charges to be Excluded</b>	<b>0</b>
9920	<b>Net Debt Charges</b>	<b>8,335,042</b>

## Excluded Revenue Amounts

		1 \$
1610	Total Revenues (Sale of Hydro Utilities Removed) (SLC 10 9910 01). . . . .	128,329,475
2010	Fees for Tile Drainage / Shoreline Assistance (SLC 12 1850 04) . . . . .	0
2210	Ontario Grants, including Grants for Tangible Capital Assets (SLC 10 0699 01 + SLC 10 0810 01 + SLC10 0815 01) . . . . .	27,138,627
2220	Canada Grants, including Grants for Tangible Capital Assets (SLC 10 0820 01 + SLC 10 0825 01) . . . . .	1,244,393
2225	Deferred revenue earned (Provincial Gas Tax) (SLC 10 830 01) . . . . .	508,620
2226	Deferred revenue earned (Canada Gas Tax) (SLC 10 831 01) . . . . .	268,430
2230	Revenue from other municipalities including revenue for Tangible Capital Assets ( SLC 10 1098 01 + SLC 10 1099 01) . . . . .	3,910,619
2240	Gain/Loss on sale of land & capital assets (SLC 10 1811 01) . . . . .	1,404,794
2250	Deferred revenue earned (Development Charges) (SLC 10 1812 01) . . . . .	1,743,306
2251	Deferred revenue earned (Recreation Land (The Planning Act)) (SLC 10 1813 01) . . . . .	237,475
2252	Donated Tangible Capital Assets (SLC 53 0610 01) . . . . .	0
2253	Other Deferred revenue earned (SLC 10 1814 01) . . . . .	121,346
2254	Increase / Decrease in Government Business Enterprise equity (SLC 10 1905 01) . . . . .	1,240,290
2299	<b>Subtotal</b>	<b>37,817,900</b>
2410	Fees and Revenue for Joint Local Boards for Homes for the Aged . . . . .	0
2610	<b>Net Revenues</b>	<b>90,511,575</b>
2620	<b>25% of Net Revenues</b>	<b>22,627,894</b>
9930	<b>ESTIMATED ANNUAL REPAYMENT LIMIT</b> (25% of Net Revenues less Net Debt Charges)	<b>14,292,852</b>

\* SLC denotes Schedule, Line Column.



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## MANAGEMENT REPORT

**Date:** April 16, 2019  
**To:** Finance & Labour Relations Sub-committee  
**From:** Michael Humble, Director of Corporate Services  
**Report#:** COU19-030  
**Attachments:** None

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**Title:** Municipal Investment Performance for 2018

**Objective:** To report on the performance of municipal investments for the fiscal year 2018.

**Background:** The investment of surplus funds by the City is governed by s. 418 of the *Municipal Act, 2001* and Ontario Regulation 438/97 *Eligible Investments, Related Financial Agreements and Prudent Investment*.

O. Reg. 438/97, s. 8 (1) requires that..... *"If a municipality has an investment in a security prescribed under this Regulation, the council of the municipality shall require the treasurer of the municipality to prepare and provide to the council, each year or more frequently as specified by the council, an investment report"*.

### **Analysis:**

#### **Bank Accounts and Short Term Deposits**

The City of Stratford maintains ten (10) bank accounts with RBC. Most are City funds, but others are funds managed or held for the benefit of others (Trust Funds, Golf Course, Police Traffic Safety).

All RBC accounts were paid interest at the negotiated rate of Prime minus 1.7% for the 2018 fiscal year. The updated banking proposal by RBC will increase that interest rate to Prime minus 1.55% effective 1<sup>st</sup> January 2019.

The effective interest rate was 2.25% as at 31<sup>st</sup> December 2018, which had risen from 1.5% at the prior year end.

A High Interest Savings Account was opened with ONE Investment Funds in June of 2018 for the investment of reserve fund balances.

Institution	Use of Funds	Interest Rate	Effective Rate	Book Value	Interest Earned
ONE Investment		2.415%	2.415%	\$ 15,158,379.32	\$ 158,379.32
Royal Bank of Canada	Reserve Funds	Prime - 1.7%	2.25%	\$ 10,656,367.13	\$ 210,963.83
Royal Bank of Canada	General Bank Account	Prime - 1.7%	2.25%	\$ 6,451,468.53	\$ 121,870.41
Royal Bank of Canada	Public Housing	Prime - 1.7%	2.25%	\$ 408,354.95	\$ 3,928.23
Royal Bank of Canada	Trust Funds	Prime - 1.7%	2.25%	\$ 397,518.87	\$ 6,739.41
Royal Bank of Canada	DBIA	Prime - 1.7%	2.25%	\$ 120,148.56	\$ 2,579.00
Royal Bank of Canada	Social Services	Prime - 1.7%	2.25%	\$ 95,263.93	\$ 983.07
Royal Bank of Canada	Golf Course	Prime - 1.7%	2.25%	\$ 36,232.36	\$ 1,964.91
Royal Bank of Canada	Police Traffic Safety	Prime - 1.7%	2.25%	\$ 4,985.22	\$ 93.54
Royal Bank of Canada	Perth & Stratford Housing	Prime - 1.7%	2.25%	\$ 3,834.18	\$ 1,682.74
Royal Bank of Canada	Anne Hathaway Daycare	Prime - 1.7%	2.25%	\$ 1,660.27	\$ 31.31

### **Investment Accounts**

There are also four (4) investment accounts held with three (3) investment managers.

Institution	Use of Funds	Annualized Rate of Return	Book Value	Income	Beneficiary
ScotiaMcLeod	Cemetery Prepays	2.45%	\$ 586,295.00	\$ 13,317.70	Trust Accounts
BMO Nesbitt Burns	Cemetery Perpetual Care	-0.53%	\$ 2,475,529.79	\$ (13,110.79)	Trust Accounts
BMO Nesbitt Burns	General	3.35%	\$ 4,639,090.67	\$ 149,914.17	General
National Bank	Reserve Funds	4.44%	\$ 11,663,274.87	\$ 253,152.66	Reserve Funds
CIBC Wood Gundy	Reserve Funds	-0.07%	\$ -	\$ 52,182.34	Reserve Funds

### **CIBC Wood Gundy**

The CIBC Wood Gundy investment account was closed out in March 2018 due to a high trading volume designed to match an underlying Manulife Canadian Bond Fund, of which many holdings were ineligible investments for municipalities under *Municipal Act* regulations. The investment philosophy was inconsistent with municipal interests. These problems notwithstanding, trading fees offset any income the portfolio managed to earn.

For the three months in 2018 that the account was open, the portfolio generated income of \$52,182 for an actual return of 0.46% (**1.83%** annualized) as instructions to cease trading activity had been placed in February.

## **National Bank**

This account was opened in May 2018 as the primary recipient of reserve investment funds from the closed account at CIBC Wood Gundy.

In the six months of 2018, the portfolio returned 2.17%, or **4.34%** annualized with a book value of \$11,663,275 at year end.

The investment advisor for National Bank has been scheduled to address Finance Subcommittee on 21<sup>st</sup> May 2019 which is substantially one year after the account was opened.

## **Scotia McLeod**

This firm manages one investment trust account with proceeds of Cemetery prepaid burial and interment fees.

Investment options are not subject to the restrictive Municipal Act "eligible list", but fall under the jurisdiction of the Trustees Act, 1990 which permits the "prudent investor" standard;

The rate of return was **2.45%** in 2018 with a book value of \$586,295 at year end.

## **BMO Nesbitt Burns**

This firm maintains two investment accounts for the City of Stratford.

### 1. Perpetual Care for Stratford Avondale Cemetery

This realized a book value of \$2,475,530 at year end. It would have reported a rate of return of 3.34% except for one event that occurred in June. A CIBC bond holding with a coupon rate of 6.0% was called by the issuer prior to maturity. This action crystallized a loss on redemption for this instrument in the amount of \$96,400 and unfortunately negated our portfolio returns for the year.

The rate of return was **-0.53%** in 2018 with a book value of \$2,475,430 at year end.

### 2. City of Stratford General Investment Account

Holdings are a mix of Canadian bank and corporate bonds with less than 5 years to maturity and rating of A- or better. This investment mix is compliant with O.Reg 438/97 and encompasses the moderately higher yields that corporate bonds can offer over the banks.

The rate of return was **3.35%** in 2018 with a book value of \$4,489,177 at year end.

**Statement By Treasurer As Required By O.Reg. 438/97, s.8(2)(c)**

It is my opinion that all investments at the end of 2018 are consistent with the investment policies and goals adopted by the municipality. Reviews are undertaken with investment advisors on at least a quarterly basis to ensure holdings are consistent with the "eligible list" as defined by the *Municipal Act, 2001* and its Regulations.

**Financial Impact:**

**Investment Returns**

In 2018 the City earned **\$674,676** income for our discretionary and obligatory reserve funds (2017 - \$171,176) and **\$380,359** as investment income for our revenue fund to support tax supported operations (2017 – \$233,182).

	2018	2017	2016	2015
Revenue Fund	\$ 380,359	\$ 233,182	\$ 223,571	\$ 187,566
Reserve Funds	\$ 674,676	\$ 171,176	\$ 399,098	\$ 366,127
TOTAL	\$ 1,055,035	\$ 404,358	\$ 622,669	\$ 553,693

Our investment strategy changed mid-year (late May) and our overall portfolio return was 2.21% for 2018 (2017 – 1.46%).

With a full year in 2019, higher bank rates and an improved bank spread negotiated through our RFP process, we anticipate continued improvement in our investment returns which will

- help grow our reserve balances to pay for capital projects, and
- augment our operating fund revenue and lower the tax levy requirement.

**Staff Recommendation: THAT the report of the Director of Corporate Services dated April 16, 2019, regarding 2018 investment performance, be received for information.**




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Michael Humble CPA, CGA  
Director of Corporate Services

A handwritten signature in black ink that reads "Rob Horne". The letters are cursive and fluid, with the first name "Rob" and last name "Horne" clearly distinguishable.

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Rob Horne, Chief Administrative Officer





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## MANAGEMENT REPORT

**Date:** April 16, 2019  
**To:** Finance and Labour Relations Sub-committee  
**From:** Michael Humble, Director of Corporate Services  
**Report#:** COU19-032  
**Attachments:** F.1.1 Grants to Organizations (existing policy)  
F.1.1 Community Grants Program (proposed draft policy)  
2019 Grant Application Guidelines (current)

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**Title:** Proposed Revisions to the Community Grants Program

**Objective:** To review existing practices and recommend a revised Community Grants Program Policy.

**Background:** The existing policy has retained its current form since 2003.

Council has approved the current 2019 Grant Application Guidelines (attached).

The current process does not materially differentiate between:

- ongoing support (which could be formalized into funding agreements and incorporated into the operating budget of the City); and
- one-time requests for financial assistance for community programs or events.

**Analysis:** The City of Stratford is committed to sound fiscal management. Accordingly, discretionary funds set aside to support community groups via grants must continue to be allocated in a fair and transparent manner, based on established criteria.

The existing policy merits a comprehensive review, as it is now 15 years old (see attached). An updated Community Grants Program Policy could provide a clearer/better framework that can better reflect the City of Stratford's vision and strategic objectives.

The attached proposed draft policy is based on prior experience in the industry and is meant to form the basis for discussion and direction to staff to establish greater structure and transparency around this program.

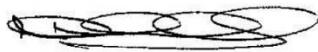
The following are a number of broad recommendations for Committee and Council consideration:

1. Consider entering into Funding Agreements with groups that the City wishes to support over the long term. These funding requests would then form part of the City's base budget and would not be considered under the Community Grant program.
2. Differentiate long term commitments for major capital projects (for example: contribution over five years to Stratford Perth Rotary Hospice or the Stratford General Hospital) from one-time requests for assistance or support from small community not for profit groups.
3. Define eligibility requirements for greater clarity and consistency for Funding Activities and Groups.
4. Establish Evaluation Criteria to be used by the Evaluation Team
5. Establish on-line reporting requirements for all recipients.

**Financial Impact:** The community grants budget is \$905,380 in 2019.

**Staff Recommendations: THAT the report of the Director of Corporate Services dated April 16, 2019, regarding the Proposed Revisions to the Community Grants Program be received for information;**

**AND THAT a final Community Grants Program policy be forwarded to Council for consideration of approval and adoption by by-law.**




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Michael Humble, Director of Corporate Services




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Rob Horne, Chief Administrative Officer

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# The Corporation of the City of Stratford

## Policy Manual

### F.1 Financial and Fiscal

Dept: Corporate Services

Committee: Finance and Labour Relations

#### F.1.1 Grants to Organizations

Adopted: March 27, 1972  
 Amended: February 12, 2001; January 27, 2003  
 Reaffirmed:  
 Related Documents:  
☒ Council Policy ☐ Administrative Policy

That any group receiving a grant that is not considered as a donation, in cash or in free use or subsidized use of City facilities, be required to submit its most recent year-end financial statement (audited if available) and a budget detailing the use of the requested grant and to follow municipal tendering procedure in the purchase of supplies and equipment. Any initial request for a grant must also include information regarding the organization's governing committee or board. If the grant is for a scholarship or specific donation, then a financial statement and a budget may not be required.

Cheques for grants will be made payable only to an organization or to a company associated with an event.

Requests for reimbursement of expenditures under the approved grant must be accompanied by original documentation providing evidence of the expenditure by the organization or company.

DRAFT – 10th April 2019

# The Corporation of the City of Stratford

## Policy Manual

### F.1 Financial and Fiscal

Dept: Corporate Services

Committee: Finance and Labour Relations

#### F.1.1 Community Grants Program

Adopted: March 27, 1972  
 Amended: February 12, 2001; January 27, 2003,  
 Reaffirmed:  
 Related Documents:  
☒ Council Policy ☐ Administrative Policy

#### 1.0 PURPOSE:

The City of Stratford has established the Community Grants Program to:

- Improve the wellbeing of individuals, neighbourhoods and Stratford as a whole by directing City grant funding to eligible organizations that can demonstrate the greatest need in the community while supporting Council's strategic priorities.
- Diversify the availability of activities available to all residents of our community.
- Contribute to enhancing the quality of life in our community.
- Through this support, it is hoped that other funding may be leveraged, and participants and volunteers can be supported, attracted and retained.
- Ensure that the process to review and allocate grant funding is transparent, consistent and achieves the optimal impact for the investment provided.

#### 2.0 AUTHORITY

This policy is established pursuant to Section 107 of the *Municipal Act, 2001* which allows a municipality, subject to section 106, to make grants, on such terms as to security and otherwise as the Council considers appropriate, to any person, group or body, including a fund, within or outside the boundaries of the municipality for any purpose that council considers to be in the interests of the municipality.

### **3.0 BUDGET**

On an annual basis, Council will determine the total funding envelope for Community Grants as part of the annual operating budget.

As the number of grant requests may exceed funds available and budget priorities may change from year to year, applicants are not guaranteed funding. A grant approved in any year is not considered a commitment by the City of Stratford to continue financial assistance in future years.

Requests for multi-year and ongoing support for operations must typically be submitted by 30<sup>th</sup> August for inclusion in the operating budget of the following year. Council will consider ongoing requests for support on a case-by-case basis as part of budget deliberations.

### **4.0 ACTIVITY ELIGIBILITY FOR FUNDING**

The Community Grants Program will provide grants to financially support eligible community-based organizations for operations, activities, programs, services and capital initiatives.

Applications must align with one or more of the City's strategic priorities.

Both the organization and the investment sought must benefit Stratford citizens, and activities must be open to the public at minimal or no charge.

### **5.0 GROUP ELIGIBILITY FOR FUNDING**

In order to apply to the grant program, applicant organizations and funding requests must meet ALL of the following eligibility requirements:

- The organization must be an incorporated not-for-profit organization. This means that it is incorporated under provincial or federal legislation (with or without charitable status).
- The organization must have a volunteer board of directors (with the exception of ex-officio members).
- The organization must release annual audited financial statements, or where audited financial statements are not available, the applicant must provide financial statements that have been verified as correct by two signing officers from the organization.
- The organization must be in operation for at least one year.
- The organization must be in good standing with the City and, if applicable, its own governing bodies.

## **6.0 WHAT THE COMMUNITY GRANTS PROGRAM WILL NOT FUND**

Community Grants cannot be used for:

- Travel or accommodation, food, beverage or alcohol.
- Uniforms, personal equipment.
- Consultant costs.
- Debt retirement, deficit reduction, depreciation or financing charges.
- Increasing endowment funds.
- Funding activities that serve primarily the membership, or for purposes of religious or political organizations.
- Achieving an operating surplus that can be donated to a separate group or entity.
- Funds granted under this program are not transferable between projects or groups without prior Council consent, and must be used for the specific purposes outlined in Council's original approval.
- Funding requests of more than \$15,000 per organization in any single grant cycle
- Retroactive payments. These are activities or costs incurred before grants are approved.
- 100% of the budget of an activity.

## **7.0 WHO THE COMMUNITY GRANTS PROGRAM WILL NOT FUND**

- Individuals.
- For-profit businesses.
- Political organizations.
- Fundraising activities of Provincial/National organizations.
- Organizations who conduct the majority of their services outside of the City of Stratford.
- Organizations with surplus funds not identified for a specific purpose.
- Organizations whose activities may breach the Ontario Human Rights Code or Charter of Rights.
- Organizations who have failed to provide reports satisfactory to the City, including financial statements, as to the success of the previous year and specifically with respect to the allocation of grant funds, will not be eligible for grant funding until such time as proper documentation is submitted and evaluated.
- Any outstanding payments owing to the City from an organization must be paid in full before a grant application will be accepted.
- An organization can only apply once in a fiscal year for one City grant.

## 8.0 APPLICATION PROCESS

Information relevant to the grants process including application due dates and guidelines to apply will be advertised in local media and on the City website at [www.stratford.ca](http://www.stratford.ca).

The funding call will occur once per year, usually commencing in the month of September. Grants awarded will cover the period January – December of the following year.

All organizations must complete the application form in full which means that each question must be answered and all the requested supporting documentation must be submitted. Incomplete applications may not be considered. The City reserves the right to contact any organization for information which requires clarification.

Applications must be received by the City on or before 4:00pm on the advertised submission deadline. No late applications will be considered. It is the sole responsibility of the applicant to ensure that the City receives completed applications.

Eligible organizations can submit only one (1) application per year.

Funding requests cannot exceed \$15,000 per application.

Requests for in-kind grants such as waiving of City fees or use of Municipal facilities should be accompanied with a dollar value estimate that has been confirmed with the applicable City Department

Applications will be screened for their eligibility by staff and provided to the Community Grants Evaluation Team for review.

The Community Grants Evaluation Team will review each eligible application using the 'application assessment criteria' outlined in this policy.

Following these deliberations, Evaluation Team members will compile a list of approved grant applications and their respective funding allocations.

All applicants will receive notification via mail of Council's decision of whether or not their application was successful.

Following annual Council budget approval, the Finance Department will issue grant payments to the successful applicants.

The Community Grants Program has an appeal process for all applicants through the Finance & Labour Relations Sub-committee.

## 9.0 EVALUATION OF APPLICATIONS

The Community Grants Evaluation Team, consisting of two Council representatives and the Directors of Social Services, Community Services and Corporate Services (or their designates), will meet to review all qualified applications, and make recommendations to Council based on the established criteria in this policy and the financial parameters set within the annual budget.

The Evaluation Team does not hear delegations. Applications must be clear, concise and complete on their own to facilitate the Evaluation Team's review.

The Evaluation Team will typically report its recommendations to Council through the Finance and Labour Relations Committee.

Eligible applications will be evaluated based on the following criteria:

- How the activity or event will support the City's strategic priorities;
- Contribution to the community and impact to Stratford citizens by strengthening our community and growing our economy;
- Evidence of support from other partners, volunteers and other sources of funding to enable the organization or event to be sustainable;
- Additional financial and non-financial resources being leveraged from other sources;
- Evidence that the organization needs the funding. Organizations that have budgets or financial statements indicating a surplus will be required to provide explanations of the surplus and how the organization intends to use it. The level of organizational reserves may be considered;
- Sound organizational track record. This considers if the organization has the ability, skills and capacity to undertake the work;
- That the activities do not unnecessarily duplicate successful efforts that already exist in the community;
- Sustainability of the organization and activity as applicable; and
- The amount of funding requested by applicants and the funding available in the program.

## 10.0 FINAL REPORTING:

A summary of grants awarded will be published at least annually by the City.

Successful applicants who receive funding from the program must report on how the funding was spent and the impact the funding achieved.



**Reports must be submitted to the City by November 30th** of the same year for which the grant is awarded. For example, if a grant is awarded in January 2020, the grant recipient must provide a completed report by November 30, 2020.

If the grant recipient fails to fully complete and submit the report to the City within the stated time, that organization will not be eligible for future grant funding until such a time that the City is satisfied that the report has been submitted in full.

Reports will be forwarded to City Council for its review, typically through the Finance & Labour Relations Committee.

## **11.0 POLICY REVIEW**

The Community Grants Policy will be reviewed annually by the Community Grants Evaluation Team.

## **12.0 DEFINITIONS**

“Activities” means what the applicant has requested grant funding for (e.g. programs and services of an organization).

“Benefit to Stratford Residents” Organization’s service boundaries include Stratford or portion of Stratford, and at least one service, program, or activity location is in the City, or 50% or more of individuals served reside in the City.

“City” means the City of Stratford.

“Event” means a civic event, such as Canada Day, or festival undertaken in the City of Stratford.

“Grant” means a one-time sum of money provided to a not-for-profit organization.

“Incorporated Not-for-Profit Organization” means an entity incorporated under either federal or provincial not-for-profit legislation. These organizations may or may not have charitable status. Registered charities are included.

“In Good Standing” means that the organization is not in litigation with the City. The organization must be current on accounts receivable. The organization must have all relevant City taxes paid.

"Ontario Human Right's Code" The Ontario Human Rights Code (Code) is a provincial law that gives everybody equal rights and opportunities without discrimination in the social areas of:

- Employment
- Accommodation
- goods, services and facilities
- contracts
- membership in vocational associations and trade unions

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## **CITY OF STRATFORD 2019 COMMUNITY GRANT APPLICATION GUIDELINES**

Please ensure your application is complete and accurate by following these instructions.

Any questions can be directed by email to [stfdbudget@stratford.ca](mailto:stfdbudget@stratford.ca) or by phone at 519-271-0250 ext. 202.

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### **NEW THIS YEAR – Online Application**

2019 Community Grant Applications will be accepted online up to **November 30, 2018**.

A complete application will consist of an application form and a checklist. The links for these forms are on the 2019 budget page of the City's website.

Please complete the two forms together and when you are ready to send, click 'submit' for each. All forms must be completed and submitted in one session. There is not an option to save a partially completed form and return to it later.

Once submitted, you will receive 2 return messages to the email address you have identified on your application; one for each form.

The messages you receive will confirm receipt of your application/checklist, and will also provide you with a copy of what you have submitted and a reference number for each form.

### **Guidelines for Completing your Application**

Please note that mandatory fields are marked with an asterisk ( \* )

#### **1. Grant Information**

- Please be specific as to dollar value of the grant being requested (\$xxx)
- In-Kind grant requests such as facility rentals will need a costing and value determined by the appropriate City dept.

## **2. General Organization Information**

- Contact information listed here will be used for all correspondence regarding your grant application
- As email is the main method of contact for your application, please include an email address that will be checked regularly
- View the [Canada Revenue Agency's definitions](#) of a registered charity and a non-profit organization

## **3. Program Information**

- A website address may be given to highlight information about your organization – please enter your website address in the “website link to program details” box and include the location within the website where the information can be found
- Separate documents should be uploaded to illustrate how the eligibility criteria are met

Applicants for a City grant must meet all of the following eligibility criteria:

- Must be a not-for-profit, non-profit, or registered charitable organization
- Programs must not be within the legislated mandates of other government or City service providers
- Applicants must demonstrate sound organizational and financial management

Also, consideration will be given to:

- How the organization’s activities impact the citizens of Stratford
- If the organization has secured other sources of revenue, other than your request for City funding

## **4. Financial Information**

- All detailed financial information must be included with your application, as listed on the application form
- Year-end financial statements must include any accumulated surpluses and their designated purpose (if any)
- Budget must show all revenue, expenses and anticipated net surplus or deficit (if applicable)
- There is an area at the end of this section to provide any general information you have regarding your application

## **5. Application Process**

- Application and checklist will be accepted up to Friday, November 30, 2018
- Completing the checklist will ensure you have included all necessary material

- Any questions regarding your grant submission may be directed to email or phone noted above
- Eligible applications will be forwarded to the Community Grants Evaluation Committee which is composed of two Council members and three City staff members selected from each of the Corporate Services, Community Services and Social Services departments

## **6. Evaluation Process**

- The Grants Evaluation Committee will conduct its review of applications in February 2018
- The Committee's recommendations will be provided to City Council in March 2018
- Due to the upcoming municipal election, dates and timing may vary for this process

## **7. Final Decision**

- Applicants will be notified of Council's decision by email
- City Council has final approval for all grant decisions



A meeting of the **Stratfords of the World Committee** was held on the above date at 4:30 p.m. – 82 Erie Street, Stratford ON – Avon Room

**Present:** Joan Ayton – Chair Presiding, Wayne Whitehorn, Joyce Mohr, June Wells, Susan Kummer, Councillor Tom Clifford, Ken Clarke

**Staff Present:** Casey Riehl – Recording Secretary

**Absent:** Cambria Ravenhill, Polly Bohdanetzky, Donnalene Tuer-Hodes

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## MINUTES

### 1. CALL TO ORDER

Joan Ayton called the meeting to order at 4:30 p.m.

### 2. DISCLOSURE OF PECUNIARY INTEREST

None declared

### 3. ADOPTION OF THE PREVIOUS MINUTES – July 26, 2018

**Motion by Wayne Whitehorn, seconded by Susan Kummer to adopt the minutes dated July 26, 2018 as printed. Carried.**

### 4. BUSINESS ARISING FROM PREVIOUS MINUTES

#### (a) 2018 Reunion Overview

Joan Ayton reported that delegates had a wonderful time in Australia. It was organized well and the host families were great. The youth theatre was a great addition, with Stratford Ontario having the only representative there. The committees' skit also went very well and really fun to do. The skits were recorded and a representative from Australia will be sending Joan Ayton a copy of the Ontario skit. Ms. Ayton shared a photo of the sculpture in the friendship garden in Australia. The committee has a city e-mail they can start using now leading up to the 2020 reunion: [sotw@stratford.ca](mailto:sotw@stratford.ca) Ms. Ayton has already been receiving requests from delegates to be put on the mailing list for newsletters and updates.

**(b) PEI Comments**

Joan Ayton shared with the committee some of the feedback PEI sent. These will be helpful for Ontario to have when organizing. June Wells added that having the itinerary printed on the back of the name tags was very helpful.

**(c) Leaders Meeting**

Joan Ayton has sent a copy of the Leaders meeting minutes for members to review. Ms. Ayton accepted at the meeting that Ontario would host the 2020 reunion. Connecticut raised the question if Ontario was going to cap the number of delegates that could register for the 2020 reunion? Members discussed that perhaps a cap of 30 should be the starting point. A wait list can be started and if some Stratfords do not have 30 delegates, then those from the wait list can begin to be added. Ms. Ayton will send an e-mail to each Stratford to let them know. Susan Kummer suggested getting the word out to local residents that SOTW will be looking for host families for the 2020 reunion to billet visitors and to get involved. Joan Ayton will contact the radio station to inquire if she could do an interview, as well as post information on the city's social media. Ms. Ayton will also share with the Leaders that Ontario supports a two northern hemisphere, one southern hemisphere rotation schedule for reunions.

**(d) Survey**

A survey was completed by one of the SOTW Australia members. It has some interesting information and feedback.

**(e) 2020 Logo**

Joan Ayton has done some preliminary groundwork inquiring about a SOTW logo. She spoke to a few local businesses who would be interested in helping the committee create a draft logo. She will proceed with drafts and share with the committee at the next meeting. Once the committee narrows it down, the final choice will be sent to Council for their approval for SOTW to use for reunion correspondence, giveaway items, posters, etc.

**(f) 2020 Planning Meetings**

Joan Ayton will organize some planning meetings to discuss reunion plans for those members who can make it. She asked members to please keep sending her their ideas, she is compiling a list.

**(g) 2019 and 2020 Budget Requests**

Joan Ayton will break down a detailed budget for anticipated expenses for the 2020 reunion to explain to Council and staff why they are requesting the extra funds for their 2019 budget. The committee requires extra funds over and above the reserve they have been accumulating since the 2007 reunion and

planned to divide the request for extra funds over two years. There will be an opportunity for the Chair to attend a budget meeting in January to explain their budget request.

**5. NEW BUSINESS**

**(a) Permanent SOTW Flowerbed & Plaque**

Joan Ayton suggested that perhaps there could be a different permanent location for the SOTW flowerbed and purchase a new permanent marker to be dedicated at the 2020 reunion. Staff will inquire with Quin Malott if he would be available to attend the next SOTW meeting to discuss options.

**(b) Stratford Festival**

Ken Clarke will contact a representative at the Stratford Festival to discuss their involvement in the 2020 reunion.

**6. NEXT MEETING DATE:** January (Date to be confirmed)

**7. ADJOURNMENT**

**Motion by Ken Clarke, seconded by Councillor Clifford to adjourn the meeting. Carried.**

Time: 5:25 p.m.