

Recommended Procurement Bylaw 2129 Thresholds

| Procurement Process | Town of Essex (Existing) | Revised Procurement Thresholds |
|---|--------------------------|--|
| No Formal Quotes Required | 0 - \$10,000 | 0 - \$10,000 |
| Informal Request for Quote (IRFQ) / Informal Request for Proposal (IRFP) | \$10,001 - \$50,000 | \$10,001 - \$130,000 Informal Request for Quote (IRFQ) / Informal Request for Proposal (IRFP) (i.e. Competitive Bidding Process by Invitation – At least Three Quotes / Proposals) |
| Formal Request for Quote (RFQ) / Formal Request for Proposal (RFP) | \$50,001 - \$120,000 | |
| Formal Request for Tender (RFT) / Formal Request for Proposal (RFP) | Above \$120,000 | Above \$130,000 |

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Reviewed by: Katelynn Giurissevich, Director, Corporate Services

Reviewed by: Doug Sweet, Chief Administrative Officer

Table II (Revised)
Procurement Methods
Procurement and Disposal of Goods and Services Policy

| Procurement Method | Request for Proposal (RFP) | Request for Tender (RFT) | Informal Request for Quotation/Proposal | Informal, Low Value Procurement | Sole/Single Source Procurement |
|---------------------------|--|---|--|--|---|
| Definition | Process where a need is identified, but the method by which it will be achieved is unknown or flexible at the outset. The RFP process allows vendors to propose solutions or methods to arrive at a desired result and is for contracts where price is not the predominant award criteria. | A formal bid solicitation process for obtaining competitive bids for the purchase of goods and services that with adequately defined requirements for which a clear or single solution exists and for which the anticipated total acquisition cost of the purchase is expected to exceed \$130,000. | Competitive bidding process by Invitation (at least three bidders/proponents). Same as a Request for Tender except it is used where the anticipated total acquisition cost of the purchase is not expected to exceed \$130,000. | Process for obtaining competitive pricing for goods and services by telephone, fax, in writing, or by any other method of communication. \$0 to \$10,000 | Process for obtaining goods and services without seeking competitive pricing. Refer to Section 9.08 of the Procurement and Disposal of Goods and Services Policy for full details of when this process may be used. |
| Method of Advertising | Town of Essex website and/or any other electronic tendering service (example: MERX) that will provide a competitive proposal process. | Town of Essex website and any other electronic tendering service (example: MERX) that will provide a competitive bid process. | Town of Essex website and/or invitation to bidders to submit bids. | No advertising required. | No advertising required. |
| Goals | An objective, fair, open, transparent and accountable and efficient process. Proposals generally selected on the basis of the highest score where the proposal meets the requirements specified in the competition based on qualitative, technical and pricing considerations. | An objective, fair, open, transparent and accountable and efficient process. Tenders are generally accepted on the basis of the lowest total acquisition cost that meets all of the requirements specified in the competition. | To obtain competitive pricing and support local and national economy, to the extent that is legally permitted. Bidders are generally accepted on the basis of the lowest total acquisition cost that meets all of the requirements specified in the competition. | To obtain competitive pricing in an expeditious and cost-effective manner. | To allow for procurement in an efficient and timely manner. |

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Table III (Revised)
Use of Procurement Methods
Procurement and Disposal of Goods and Services Policy

| Estimated Value of Goods or Services | Method of Procurement | Procurement Documentation Required | Authorization Required |
|--|---|---|--|
| \$0 to \$10,000 | Informal Low Value Procurement Comparative pricing may be obtained at the discretion of the purchaser; the requirement for comparative pricing at purchasing values less than \$10,000 may be required on a departmental basis at the discretion of the Department Head. | None | Employee designated by a Department Head. Department Heads have the option to reduce maximum purchasing dollar levels requiring approval by the Department Head at their discretion. |
| \$10,001 to \$130,000 | Competitive Bidding Process by Invitation. At least three written comparative quotes/proposals are required. (i.e. Informal Request for Quotation or Informal Request for Proposal. | Purchase Order Written quotes shall be attached. | Department Head and Treasurer or CAO |
| Purchases where requirements can be definitively specified or defined | | | |
| Greater than \$130,000 | Request for Tender or Request for Proposal | Purchase Order and Contract, if applicable | Goods and Services: >\$130,000 Construction: >\$330,000 Council based on recommendations provided by the Department Head in a Report to the Council, to which the Treasurer or CAO concur. |
| Purchases which meet the criteria for Sole/Single Source Procurement | | | |
| \$10,001 to \$130,000 | Non-competitive procurement | Purchase Order and Contract, if applicable | Department Head and Treasurer or CAO |
| Greater than \$130,000 | Non-competitive procurement | Purchase Order and Contract, if applicable | Council based on recommendations provided by the Department Head in a Report to the Council, to which the Treasurer or CAO concur. |

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