

POLICY # 5.2 - Request for Quotations

SECTION 4.5.2

- (1) Client Departments shall utilize all applicable City Contracts and shall otherwise be in accordance with the Procurement Policy.
- (2) For procurements where there are no applicable City Contracts, a Request for Quotations process is used by the Client Department for:
 - (a) Goods and/or Services with an estimated procurement value of between \$10,000 and up to but not including \$133,800; or
 - (b) construction with an estimated procurement value of between \$10,000 and up to but not including \$334,400.
- (3) The Request for Quotations process shall be carried out in the following manner:
 - (a) the applicable templated Request for Quotations documents shall be used to issue and secure Bids from vendors unless otherwise previously approved by the Procurement Section;
 - (b) a minimum of three compliant Bids from different vendors shall be obtained by any method of written communication unless otherwise approved by the Procurement Section;
 - (c) in seeking the vendors for Request for Quotations, staff shall also use the electronic vendor database;
 - (d) Bids must be received from a minimum of three separate vendors;
 - (e) a "No Bid" response shall not be considered a valid Bid;
 - (f) all vendors shall receive the same Request for Quotations written information;
 - (g) the Request for Quotations shall be awarded to the Lowest Compliant Bid; and
 - (h) all written Bids shall be retained in the Client Department files in accordance with City By-law No. 11-040 (To Establish Retention Periods for Records of the City of Hamilton), as amended, re-enacted, or replaced from time to time.

The Manager of Procurement may waive the requirement for three Bids but will only do so where the Client Department has demonstrated to the satisfaction of the Manager of Procurement that a minimum of three Bids cannot be obtained.
- (4) Any multi-year Request for Quotations, including any contract with option(s) to extend, and/or any Request for Quotations for construction with an estimated procurement value between \$200,000 and up to but not including \$334,400

issued by the Client Department must be reviewed and approved by the Procurement Section prior to the RFQ being issued. As well, all Bids received in response to:

- (a) a multi-year Request for Quotations; and/or
- (b) a Request for Quotations for construction,

and any award recommendation shall also be reviewed by the Procurement Section to ensure compliance with the RFQ to this Policy #5.2.

- (5) Staff is encouraged to seek more than the minimum three written Bids to ensure a more competitive process and to utilize any Request for Quotations template provided by the Procurement Section.
- (6) In the event that two or more identical Bids are received and are the Lowest Compliant Bids, best and final offers will be solicited from each of these vendors in order to break the tie. If this effort is unsuccessful, then a draw will be held to determine the successful vendor.
- (7) The Procurement Section shall assist when requested by the Client Department, or when deemed necessary, with the Request for Quotations process.
- (8) An authorized online Purchase Requisition shall be utilized to initiate a Purchase Order and/or formal Contract process.
- (9) When a Client Department would like to issue an RFP in lieu of a Request for Quotations, the RFP shall be issued by the Procurement Section in the same manner as for Requests for Proposals in Policy # 5.4 of the Procurement Policy.

POLICY # 5.3 - Request for Tenders

SECTION 4.5.2

- (1) Client Departments shall utilize all applicable City Contracts and shall otherwise be in accordance with the Procurement Policy.
- (2) For procurements where there are no applicable City Contracts, the Request for Tenders process is to be used for:
 - (a) Goods and/or Services with an estimated procurement value of \$133,800 or greater; or
 - (b) construction with an estimated procurement value of \$334,400 or greater.

where comprehensive technical Specifications can be developed.
- (3) The Request for Tenders process shall be carried out in the following manner:
 - (a) the Request for Tenders process shall be carried out by Centralized Procurement;
 - (b) all Requests for Tenders shall be issued and awarded in accordance with the tendering procedures as determined by the City's Director of Financial Services;
 - (c) the Request for Tenders shall be awarded based on the Lowest Compliant Bid. In the event that two or more identical Bids are received and are the Lowest Compliant Bids, best and final offers will be solicited from each of these vendors in order to break the tie. If this effort is unsuccessful, then a draw will be held to determine the successful vendor.
- (4) When no compliant Bids are received in response to a Request for Tenders, and:
 - (a) where time permits, in the opinion of the General Manager of the Client Department, the Request for Tenders shall be re-issued with the appropriate revisions; or
 - (b) where only one Bid has been received, the Manager of Procurement in conjunction with the Client Department may proceed to negotiate the changes required to achieve an acceptable Bid, provided that such changes will not alter the general nature of the procurement described in the Request for Tenders; or
 - (c) where time does not permit the re-issuance of the Request for Tenders in the opinion of the General Manager of the Client Department, and the Request for Tenders is not otherwise being revised, all vendors who submitted a Bid or secured the original Request for Tenders shall be given

the opportunity to submit a new Bid. The Procurement Section will communicate to each vendor who previously submitted a Bid, any deficiencies that resulted in its Bid being deemed non-compliant. This process may utilize a post-closing addendum; or

- (d) where time does not permit the re-issuance of the Request for Tenders, and the Request for Tenders is being revised, all vendors who submitted a Bid or secured the Request for Tenders, shall be given the opportunity to submit a new Bid. The Procurement Section will communicate to each vendor who previously submitted a Bid, any deficiencies that resulted in its Bid being deemed non-compliant. This process may utilize a post-closing addendum. The General Manager of the Client Department shall approve this process prior to implementation.
- (5) Where one or more Bids have been received and are in excess of budgeted funds, the General Manager of the Client Department in consultation with the Manager of Procurement may enter into negotiations with the vendor submitting the Lowest Compliant Bid, where it is agreed that the changes required to achieve an acceptable Bid will not change the general nature of the requirement described in the RFT.
- (6) The Goods and/or Services shall be procured through a Purchase Order, Contract process and/or any other process as approved by the Director of Financial Services & Corporate Controller. Where a formal Contract is necessary, such Contract shall be in a form satisfactory to the City Solicitor.
- (7) Where a Time-Sensitive situation occurs, the Manager of Procurement may authorize the Client Department to utilize the Policy # 5.2 - Request for Quotations in lieu of the Request for Tenders process.

POLICY # 7 - Construction Contracts

SECTION 4.7

- (1) Where the procurement of Goods and/or Services involves construction, such construction Contracts must also meet the requirements of the Procurement Policy. However, construction Contracts of \$334,400 or greater also require both a Purchase Order and a written legal agreement, in a form satisfactory to the City Solicitor.
- (2) Construction Contracts are subject to the City's Fair Wage Policy and Fair Wage Schedule. The Fair Wage Policy and Fair Wage Schedule can be accessed on the City of Hamilton website.
- (3) For an approved construction Contract in which an unexpected circumstance arises during construction resulting in additional construction work, the General Manager of the Client Department may authorize the payment for such work and approve any required purchase acquisition documents, including a completed *Construction Contracts Form*.
- (4) Where additional consultancy work is required to oversee or administer the additional construction work referred to in subsection (3), and the consultancy services were not issued as a Policy #9 Consulting and Professional Services roster assignment, Policy #10 Emergency - Procurements or Policy #11-Non-competitive Procurement, the General Manager of the Client Department may authorize the payment for such consultancy work and approve any required purchase acquisition documents, including a completed *Construction Contracts Form*.
- (5) The *Construction Contracts Form* shall detail what additional construction or consultancy work was required to address the unexpected circumstances. Such additional work shall not expand the scope of the work but shall have been determined to be necessary in order to deliver the original approved work.