



PROCUREMENT OF GOODS AND SERVICES POLICY
Policy No. 2010 – 1

Approval Date: June 10, 2010

POLICY STATEMENT:

A policy for the purchase of goods, services and construction for the York Region Rapid Transit Corporation (the “Corporation”). This policy may also be referred to as the “purchasing policy” of the Corporation.

APPLICATION:

This policy shall apply to all officers, directors, employees, agents and designated representatives of the Corporation. Except as set out in this policy, it applies to all procurements of goods, services and construction. This policy shall not apply to the acquisition or disposal of real property or where the lessor requires the Corporation to procure goods, services or construction relating to leased premises in a manner dictated by the lessor as a condition to the Corporation’s use or occupation of the leased premises. This policy shall not apply to the procurement of goods, services and construction pursuant to the cost confidence process set forth in the business arrangements with the Corporation’s private sector partner.

PURPOSE:

The purpose of this policy is to outline effective, efficient, fair and transparent procedures for the Corporation’s procurement of goods, services and construction.

DESCRIPTION AND OBJECTIVES:

York Region Rapid Transit Corporation was incorporated pursuant to Ontario Regulation 168/03 (Municipal Business Corporations) under the *Municipal Act, 2001*. The Corporation is wholly-owned by The Regional Municipality of York (the “Region”). The Board of Directors have designated authority to senior management to execute documents on behalf of the Corporation in accordance with its by-laws.

The objectives of this policy are:

- To encourage competition among contractors;
- To obtain the highest quality of goods, services or construction;

- To ensure consistency, fairness, objectivity, accountability and transparency in the procurement process; and
- To ensure the procurement process is substantially consistent with the Region's procurement process and by-laws, save where the procurement relates to a project funded under a Provincial funding envelope, in which case the procurement process will be substantially consistent with Metrolinx's purchasing policy and provincial procurement framework.

RESPONSIBILITIES AND AUTHORITIES:

The President shall have the responsibility and authority for the procurement of goods, services or construction for the Corporation, provided that:

- in respect of projects funded under a Provincial funding envelope and which have not been included in the Corporation's annual budget approved by Regional Council, no contract shall be entered into and no expenditure shall be authorized or incurred for goods, services or construction unless sufficient funds for such purpose have been provided for in that funding envelope, or
- in respect of projects that are not funded under a Provincial funding envelope, no contract shall be entered into and no expenditure shall be authorized or incurred for goods, services or construction unless sufficient funds for such purpose have been provided for in the annual budget. The Corporation shall not authorize or incur expenditures in respect of such projects in excess of the funds provided in the annual budget unless otherwise authorized under this policy.

The Treasurer shall be responsible for:

- Providing procurement advice including preparing call for bids documentation;
- Administering the call for bids and ensuring compliance with the terms and conditions of the call for bids;
- Reviewing statements of work and tender specifications prepared for a project for objectivity, transparency and fairness;
- The standardization of all procurement procedures in conjunction with the Region's procedures and templates save where the procurement processes are pursuant to the cost confidence process or as otherwise required by Metrolinx or Provincial requirements;
- The overview of procurement and preparation of reports to the Board, Metrolinx and to the Province of Ontario on purchasing activities conducted under this policy;

- Maintaining and overseeing the implementation of this policy, initiating updates to this policy and recommending changes to this policy, as required from time to time;
- Maintaining an oversight role for all competitive procurement processes exceeding \$100,000 which are handled by the Region's Supplies and Services Branch on behalf of the Corporation.
- In conjunction with the Corporation's owner's engineer, the Metrolinx cost advisor and the Corporation's fairness monitor, the overview of the cost confidence process and procurement pursuant to that process.

Where any person is authorized to take any action pursuant to this policy, such action may be taken by that person's authorized designate. Any such appointment shall be subject to the approval of the Chief Executive Officer and a record thereof filed with the Solicitor. Where the project is funded by a Provincial funding envelope and is not included in the Corporation's annual budget approved by Regional Council, any designation of approval authorization authority is subject to the approval of Metrolinx and shall comply with Metrolinx's Approval Authorization Policy issued February 19, 2010, as amended from time to time.

Where any authority has been granted to any officer or employee of the Corporation pursuant to this policy, such authority may be exercised by the Chief Executive Officer.

Despite any other provision of this policy, during any period that regular Board meetings are suspended either during the summer recess or for any other reason, the Chief Executive Officer and the President, or in the absence of either officer, then the Treasurer and either of the Chief Executive Officer and the President, shall be authorized to award and execute any contract in respect of a project that is included in the Corporation's annual budget approved by Regional Council. The Treasurer shall submit a report to the Board as soon as reasonably possible to advise of the award of any such contract.

RESTRICTIONS AND EXCEPTIONS:

- The purchasing procedures set out below in this policy shall not apply to the purchase of those goods and services set out in Schedule "A", provided that the total cost of the purchase does not exceed the amount approved in the annual budget (save and except for those projects funded under a Provincial funding envelope) and further provided that there is compliance with the authorization provisions of this policy and/or the delegated financial signing limit authority policies in effect.
- No contract or price agreement for the procurement of goods, services or construction shall be divided into two or more parts for the purpose of avoiding the application of this policy.

- Where goods, services or construction have been purchased under this policy, no similar, additional or related goods, services or construction shall be purchased from the same contractor, whether by way of contract extension, renewal, or separate purchase, unless a report is provided to the Board or the procurement procedures set out in this policy are complied with.
- No personal purchases shall be made by the Corporation directly or indirectly for members of the Board of Directors or for any officer or employee of the Corporation.
- All procurement undertaken by the Corporation shall be undertaken in accordance with the conflict of interest provisions set out in the Corporation's By-law No. 1 (relating generally to the transaction of the business and affairs of the Corporation), as same may be amended or replaced from time to time.

PROCUREMENT METHODS APPLICABLE TO SPECIFIC PRICE THRESHOLDS:

The procurement method applicable to a specific purchase will depend upon whether the purchase is in relation to a project that is funded by a Provincial funding envelope or another funding envelope. The procurement method that is applicable to a specific price threshold is set forth below in Part 1, for those projects that are funded by a Provincial funding envelope and in Part 2, for those projects that are funded from another funding envelope. Notwithstanding the foregoing, it is anticipated that the Corporation will enter into project related funding agreements with Federal and Provincial partners and that such agreements will contain provisions and/or protocols with respect to procurement and approval authorizations for a project. Where any such provision is inconsistent with the procurement framework set out in this policy, such provision will prevail over this policy for that particular project. Furthermore, the Corporation has established a cost confidence process that is set forth in its business arrangements with a private sector partner to procure design-build services for certain rapid transit projects. The provisions of this policy shall not apply to the procurement of goods, services and construction pursuant to the cost confidence process.

PART 1: AUTHORIZATION OF PURCHASES FOR PROJECTS THAT ARE FUNDED UNDER A PROVINCIAL FUNDING ENVELOPE AND ARE NOT INCLUDED IN THE CORPORATION'S ANNUAL BUDGET APPROVED BY REGIONAL COUNCIL

For those purchases in respect of projects that are funded by a Provincial funding envelope and which projects are not included in the Corporation's annual budget approved by Regional Council, purchases shall be authorized on behalf of the Corporation in accordance with the procurement method applicable to the following specific price thresholds:

Goods and Services (excluding consulting services) up to \$9,999.99

Where the total cost of any goods and services (excluding consulting services) is up to \$9,999.99, a senior manager may authorize the purchase without the need for formal quotations. A record of the quotation is to be maintained by the applicable senior manager. Single source justification is not required. Any such purchase may be made utilizing cash, a cheque, a purchase order or credit card.

Goods from \$10,000 up to \$24,999.99 and Services from \$10,000 up to \$49,999.99

Where the total cost of any goods is equal to \$10,000 but does not exceed \$24,999.99, a simplified tender process is required, calling for written quotations from a minimum of two bidders. Where possible, a standard request for quotations, short form procurement document, should be used.

Where the total cost of any services (save and except for consulting services) is equal to \$10,000 but does not exceed \$49,999.99, a simplified tender process is required, calling for written quotations from a minimum of two bidders. Where possible, a standard request for quotations, short form procurement document, should be used.

In each of these categories, a senior manager may authorize the purchase provided that:

- a minimum of two (2) written quotations shall be requested; and
- the award is made to the bidder submitting the lowest total cost responsive bid.

Services from \$50,000 up to \$99,999.99

Where the total cost of any services (save and except for consulting services) is equal to \$50,000 but does not exceed \$99,999.99, a formal tender process is required, with bids requested from a minimum of three bidders, where possible. The type of tender process required will be determined by the Treasurer.

The President may authorize the purchase provided that:

- a minimum of three (3) written quotations shall be requested; and
- the award is made to the bidder submitting the lowest total cost responsive bid.

Goods from \$25,000 and over and Services (including consulting services) of \$100,000 and over

Where the total cost of any goods is equal to \$25,000 and over, or where the total cost of any services, including consulting services, is equal to \$100,000 and over, either a public tender or a request for proposals process is required. A public tender process will only be used for the purchase of goods and/or services with a well-defined scope of work/specification. In exceptional cases, subject to the prior approval of Metrolinx, an invitational tender process may be used. The President may award the contract provided that:

- the award is made to the bidder submitting the lowest total cost responsive bid; and
- the value of the contract does not exceed \$2,500,000; or
- where the value of the contract is greater than \$2,500,000 but less than \$10,000,000, the prior approval of the President/Chief Executive Officer of Metrolinx is required; or
- where the value of the contract is \$10,000,000 or greater, the prior approval of the Metrolinx board is required.

All awards made by the President in these categories will be reported, in writing, quarterly, to the Board and to Metrolinx, as Metrolinx requires.

PROCUREMENT OF CONSULTING SERVICES (FROM \$1.00 AND UP)

With respect to projects that are funded by a Provincial funding envelope, purchases in respect of consulting services, as hereinafter described, must be made in accordance with a competitive process, irrespective of the value of the contract. Vendor of Record processes which have been established through a competitive process can be used. The Invitational Competitive Procurement method can also be used for consulting services valued at under \$100,000. The objective evaluation of consultants' capabilities to perform the work will be the method used to determine who is invited to bid.

The Corporation will not pay consultants for any hospitality, food or incidental expenses. Expenses related to flights, train and car travel and hotel rooms will be paid in accordance with the Province of Ontario's "Provincial Government's Travel, Meal and Hospitality Expenses Directive".

"Consulting services" in this policy refers to the provision of expertise or strategic advice that is presented for consideration and decision-making such as:

- management consulting (i.e. helping the Corporation improve its performance, primarily through the analysis of existing problems and development of plans for improvement. This includes organizational change management assistance and strategy development.);
- information technology consulting (i.e. advisory services that help clients assess different technology strategies, including aligning their technology strategy with their business or process strategy);
- technical consulting (i.e. activities related to actuarial science, appraisal, community planning, employment/placement, non-licensed engineering services, health sciences, interior design, realty, social sciences);
- research and development (i.e. investigative study for the purpose of increasing the available store of knowledge and/or information on a particular subject);
- policy consulting (i.e. the provision of advisory services to provide policy options, analysis and evaluation); and
- communications consulting (i.e. the provision of strategy and advice in conveying information through various channels and media).

Consulting services do not include services in which the physical component of an activity would predominate, for example, services for the operation and maintenance of a facility or plant; water-testing services; exploratory drilling services; surveying; temporary help services; training/education instructors; and aerial photography.

Consulting services do not include any licensed professional services provided by medical doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, chartered accountants, lawyers and notaries in their regulated capacities.

Consulting services assignments must have a start and end date. Any change to a consulting services agreement, including the end date of the agreement, may affect the procurement value.

Provided that the contract for consulting services has been procured under a competitive process, the President may award the contract so long as:

- the award is made to the bidder submitting the lowest total cost responsive bid; and
- the value of the contract does not exceed \$2,500,000; or
- where the value of the contract is greater than \$2,500,000 but less than \$10,000,000, the prior approval of the President and Chief Executive Officer of Metrolinx is required; or
- where the value of the contract is \$10,000,000 or greater, the prior approval of the Metrolinx board is required.

All awards made by the President in these categories will be reported, in writing, quarterly, to the Board and to Metrolinx, as Metrolinx requires.

Where a contract for consulting services is recommended but has not been procured through a competitive process, the authorization approval will reside with Metrolinx, the Metrolinx board, the Minister of Transportation, or the Provincial Treasury Board/Management Board of Cabinet, as the case may be.

MINIMUM NUMBER OF BIDDERS INVITED TO BID FOR PROJECTS FUNDED UNDER A PROVINCIAL FUNDING ENVELOPE AND AWARD APPROVAL

For those purchases in respect of projects that are funded by a Provincial funding envelope and which projects are not included in the Corporation's annual budget approved by Regional Council, the minimum number of bids to be requested for all competitive bids and the award approval authority is set out in Table 1 as follows:

Table 1

Value of Goods and Services	Number of bids requested	Approval of Award
• Goods and services valued up to \$9,999.99 (other than consulting services)	1 bid	Senior manager
• Goods valued between \$10,000 to \$24,999.99	2 bids	Senior manager
• Goods valued from \$25,000 and over	Public tender	President with prior approval from Metrolinx dependent upon price thresholds
• Services valued between \$10,000 to \$49,999.99 (other than consulting services)	2 bids	Senior manager
• Services valued between \$50,000 to \$99,999.99 (other than consulting services)	3 bids	President
• Services (including consulting services) valued from \$100,000 and over	Public tender or request for proposals	President with prior approval from Metrolinx dependent upon price thresholds
• Consulting services valued up to \$99,999.99	3 bids	President
• Consulting services valued from \$100,000 and over	Public tender or request for proposals	President with prior approval from Metrolinx dependent upon price thresholds

PART 2: AUTHORIZATION OF PURCHASES FOR PROJECTS THAT ARE NOT FUNDED UNDER A PROVINCIAL FUNDING ENVELOPE AND WHICH ARE

INCLUDED IN THE CORPORATION'S ANNUAL BUDGET APPROVED BY REGIONAL COUNCIL

For those purchases in respect of projects that are not funded by a Provincial funding envelope and which projects are included in the Corporation's annual budget approved by Regional Council, purchases shall be authorized on behalf of the Corporation in accordance with the procurement method applicable to the following specific price thresholds:

Goods, Services and Construction Not Exceeding \$10,000

Where the total cost of any goods, services or construction does not exceed \$10,000, a senior manager may authorize the purchase without the need for formal quotations. A record of the quotation is to be maintained by the applicable senior manager. Single source justification is not required. Any such purchase may be made utilizing cash, a cheque, a purchase order or credit card.

Goods, Services and Construction Not Exceeding \$50,000

Where the total cost of any goods, services or construction does not exceed \$50,000, a senior manager may authorize the purchase provided that:

- a minimum of two (2) written quotations shall be requested; and
- the award is made to the bidder submitting the lowest total cost responsive bid.

Purchases Over \$50,000 but not Exceeding \$100,000

Where the total cost of any goods, services or construction exceeds \$50,000, but does not exceed \$100,000, a request for quotations shall be issued, in lieu of a request for tenders or a request for proposals. The President may authorize the purchase provided that:

- a minimum of three (3) written quotations shall be requested; and
- the award is made to the bidder submitting the lowest total cost responsive bid.

Purchases Exceeding \$100,000

Where the total cost of any goods, services or construction exceeds \$100,000, either a public tender or a request for proposals process is required.

In the case of a public tender, the President may authorize the purchase provided that the award is made to the bidder submitting the lowest total cost responsive bid. The President may authorize the purchase irrespective of the total cost of the contract.

In the case of a request for proposals, the President may award the contract provided that:

- the total cost of the contract does not exceed \$500,000; and,
- the award is made to the bidder whose bid achieves the highest overall score as a result of the evaluation at the lowest cost, or if applicable, the lowest dollar cost per technical point, as the case may be.

Where the total cost of the contract under a request for proposals process exceeds \$500,000, the award of the contract must be brought to the Board for approval.

All awards made by the President in this category will be reported, in writing, quarterly, to the Board.

MINIMUM NUMBER OF BIDDERS INVITED TO BID FOR PROJECTS THAT ARE NOT FUNDED UNDER A PROVINCIAL FUNDING ENVELOPE AND AWARD APPROVAL

For those purchases in respect of projects that are not funded by a Provincial funding envelope and which projects are included in the Corporation’s annual budget approved by Regional Council, the minimum number of bids to be requested for all competitive bids and the award approval authority is set out in Table 2 as follows:

Table 2

Value of Goods, Services and Construction	Number of bids requested	Approval of Award
• Goods, services and construction valued up to \$10,000	1 bid	Senior manager
• Goods, services and construction (including consulting services) valued over \$10,000 but not exceeding \$50,000	2 bids	Senior manager
• Goods, services and construction (including consulting services) valued over \$50,000 but not exceeding \$100,000	3 bids	President
• Goods, services and construction (including consulting services) valued over \$100,000	Request for tenders or Request for proposals	President or Board of Directors in accordance with this policy

SOURCING METHODS:

Request for Expressions of Interest/Request for Information

The President may conduct a request for expressions of interest or a request for information for the purpose of determining the availability of any goods, services or construction. The receipt of a submission in response to a request for expressions of interest or a request for information shall not create any contractual obligation on the part of the Corporation. A request for expressions of interest may be conducted as a pre-condition to a competitive procurement procedure set out in this policy.

Request for Pre-qualification

The President may conduct a request for pre-qualification for any goods, services or construction for the purpose of selecting qualified bidders to respond to a call for bids. The pre-qualification process is used when it is important to have absolute certainty about a bidder's capability or product. It assists in mitigating the risk of awarding a contract to an unqualified bidder and/or having to defend not awarding a contract to a low bidder who is not qualified.

The selection of bidders following a request for pre-qualification process does not create any contractual obligation between the Corporation and a pre-qualified bidder. When utilized, the request for pre-qualification is a precursor to a request for quotations, a request for tenders or a request for proposals. In most case a competitive procurement process is subsequently undertaken, involving all of the bidders who were deemed to be qualified through the pre-qualification process.

When a request for pre-qualification is issued, a pre-qualification bid document shall be provided to potential bidders setting out the criteria for pre-qualification, which may include:

- experience of similar work;
- references provided from other customers for similar work;
- verification of applicable licences and certificates; and
- financial capability.

The names of the bidders who were successful in being pre-qualified are made public. The names of those who were not successful in being pre-qualified are not made public.

STANDARD COMPETITIVE PROCUREMENT METHODS:

Quotations

Typically, staff will contact bidders by telephone in order to make inquiries regarding price, product availability, and to confirm specifications such as make, model and

quantity. For purchases valued up to \$9,999.99 the quotation may be either verbal or written. For purchases of \$10,000 or more, quotations in writing must be obtained.

Simplified Tender Process/Request for Quotations (“RFQ”)

The bidder is provided with a description of corporate requirements. A written quotation is requested and a RFQ form is issued to the bidder. RFQs are used when there is a well-defined specification or scope of work. RFQs are typically used when purchasing goods. With respect to projects that are funded by a Provincial funding envelope and which projects are not included in the Corporation’s annual budget approved by Regional Council, the RFQ process applies to the purchase of goods with a value between \$10,000 and \$24,999.99 and the purchase of services (save and except for consulting services) with a value between \$10,000 and \$49,999.99. With respect to projects that are included in the Corporation’s annual budget approved by Regional Council, the RFQ process applies to the purchase of goods, services and construction with a value of over \$50,000 but not exceeding \$100,000. RFQs are sent out only to the Corporation’s selected bidders. A private and informal opening/receiving of bids is undertaken, utilizing a set date and time for bid closing. Awards are made to the qualified bidder providing the lowest cost responsive bid.

Invitational Tenders – Services

A standard written tender document is issued by the Treasurer to a minimum of three (3) invited bidders who have been pre-qualified to bid pursuant to a request for pre-qualification. The completed tender document is returned and opened by a tender opening committee at a specified time and date. The Solicitor shall determine whether a formal contract document is required or whether a purchase order for the services being procured is appropriate. This process is utilized for the purchase of services with a well-defined specification or scope of work. With respect to projects that are funded by a Provincial funding envelope and which projects are not included in the Corporation’s annual budget approved by Regional Council, this process applies to purchases of services (save and except for consulting services) with a value between \$50,000 and \$99,999.99. With respect to projects that are included in the Corporation’s annual budget approved by Regional Council, the invitational tender - services process applies to the purchase of services with a value of over \$50,000 but not exceeding \$100,000. The applicable senior manager and the Treasurer jointly determine the selection of a minimum of three (3) invited bidders. The final selection of invited bidders is signed-off by the Treasurer. Awards are made to the qualified bidder providing the lowest cost responsive bid.

Invitational Tenders – Consulting Services

A standard written tender document is issued by the Treasurer to a minimum of three (3) invited bidders who have been pre-qualified to bid pursuant to a request for pre-qualification. The completed tender document is returned and opened by a tender opening committee at a specified time and date. This process is utilized for the purchase of consulting services with a well-defined specification or scope of work. With respect to projects that are funded by a Provincial funding envelope and which projects

are not included in the Corporation's annual budget approved by Regional Council, this process applies to purchases of consulting services with a value up to \$99,999.99. The applicable senior manager and the Treasurer jointly determine the selection of a minimum of three (3) invited bidders. The final selection of invited bidders is signed-off by the Treasurer. Awards are made to the qualified bidder providing the lowest cost responsive bid.

Request to Qualify and Quote – Consulting Services (“RQQ”)

A standard written tender document is issued by the Treasurer or by the Director of Supplies and Services on behalf of the Corporation to potential bidders. The completed tender document is returned and opened by a tender opening committee at a specified time and date. This process is utilized for the purchase of consulting services with a well-defined specification or scope of work and where there is an identified need to evaluate the experience of an individual or team, independent of price. With respect to projects that are funded by a Provincial funding envelope and which projects are not included in the Corporation's annual budget approved by Regional Council, this process applies to invitational processes to a minimum of three (3) bidders, for purchases of consulting services with a value up to \$99,999.99 and public processes above that amount. With respect to projects that are included in the Corporation's annual budget approved by Regional Council, the RQQ process applies to invitational processes to a minimum of three (3) bidders for the purchase of goods, services and construction and public processes with a value exceeding \$100,000.

The applicable senior manager and the Treasurer or the Director of Supplies and Services where the RQQ has been issued by Supplies and Services on behalf of the Corporation will jointly determine the selection of a minimum of three (3) invited bidders. The final selection of invited bidders is signed-off by the Treasurer.

An evaluation committee is established to assess, evaluate and score the submitted bid against the evaluation criteria stated in the call for bids document. The RQQ is a two-envelope process under which the bidder's individual/team experience is submitted in a separate envelope and is evaluated independent of any price consideration. A previously established threshold score applicable to the "experience" evaluation ensures that only qualified bidders are considered for the project. Unopened price envelopes are returned to bidders who do not achieve the threshold score for individual/team experience. Those bidders are not considered further in the process. All bidders who achieve the threshold score for individual/team experience are then considered qualified to do the work and the envelope containing their price submissions are opened by the evaluation committee. The award is made to the qualified bidder providing the lowest cost responsive bid.

Request for Tenders / Public Tenders

A request for tenders shall be issued where the following criteria apply:

- two or more sources are available to supply the goods, services or construction;

- the goods, services or construction are clearly ascertainable and permit the evaluation of bids against applicable specifications;
- the market conditions are such that bids can be submitted on a competitive pricing basis; and
- it is intended that the lowest cost responsive bid shall be accepted without negotiation.

With respect to projects that are funded by a Provincial funding envelope and which projects are not included in the Corporation's annual budget approved by Regional Council, this process applies to purchases of goods with a value of \$25,000 and over and for services (including consulting services) of \$100,000 and over. With respect to projects that are included in the Corporation's annual budget approved by Regional Council, this process applies to the purchase of goods, services and construction with a value exceeding \$100,000.

A standard written tender document is issued by the Treasurer or by the Director of Supplies and Services on behalf of the Corporation, returned and opened by a tender opening committee at a specified time and date. The tender is advertised on either the Corporation's website, the Region's website, or on an electronic tendering system such as MERX. In some instances the tender may also be advertised publicly in newspapers and in other appropriate publications. The name of the bidder and total bid price (exclusive of applicable taxes) is read out at the public tender opening and the unverified results are posted on the originating electronic forum, for information purposes only.

The award is made to the qualified bidder providing the lowest cost responsive bid. The Treasurer shall submit a quarterly report to the Board to advise of the award of any such contract. Where the award pertains to a project that is funded under a Provincial funding envelope and which project is not included in the Corporation's annual budget approved by Regional Council, the Treasurer shall also submit a report to Metrolinx, as Metrolinx requires.

Request for Proposals ("RFP")

A request for proposals shall be issued where the goods, services or construction cannot be specifically defined and it is anticipated that bidders may propose a variety of alternatives to fulfil the Corporation's requirements. This process enables the Corporation to determine the relative value of the bid submissions, independent of price. Evaluation criteria are established in order to assess such things as corporate history, team experience, project appreciation and the adequacy of the solution proposed. A two envelope bid system (one envelope for the technical aspects of the proposal and the other envelope for the financial aspects, with appropriate weighting to be determined by the Corporation) shall be used in the submission of all proposals, unless otherwise approved by the President and Treasurer. An evaluation committee is established to assess, evaluate and score the submitted bid against the evaluation criteria stated in the call for bids document.

RFPs having a value of up to \$100,000 can be conducted by the Treasurer by invitation to selected vendors. Above \$100,000, they must be publicly advertised by the Director of Supplies and Services on behalf of the Corporation.

The award is made to the bidder whose bid achieves the highest overall evaluated score, subject to negotiation. The Treasurer shall submit a quarterly report to the Board to advise of the award of any such contract. Where the award pertains to a project that is funded under a Provincial funding envelope and which project is not included in the Corporation's annual budget approved by Regional Council, the Treasurer shall also submit a report to Metrolinx, as Metrolinx requires.

Principles Applicable to Public Tenders or a Request of Proposals

A request for tenders or request for proposals shall be undertaken in compliance with the following principles:

- the scope of the goods, services or construction shall be set out in the call for bids documentation;
- the form of the call for bids shall, to the extent possible, use standardised documentation;
- the call for bids documentation shall be circulated and advertised in as wide and extensive a manner as will ensure the best, most comprehensive and most competitive response to the call for bids;
- evaluation criteria and weightings shall be established prior to the call for bids and the call for bids documentation shall clearly specify how each of the applicable criteria shall be utilized in evaluating the bids and whether the dollar cost methodology will be applied to determine the bidder to whom the contract will be awarded;
- bids shall be publicly opened on the specified date, at the specified time;
- all bid amounts shall be recorded;
- all bids shall be fairly and completely evaluated using an open, fair and transparent process;
- the evaluation of each bid shall be recorded using a standardized form of evaluation record;
- the evaluation record shall be stored and shall only be destroyed in accordance with the Corporation's records retention by-law or policy; and

- any irregularities, except those specifically identified in the Tendering/Proposal Procedures portion of the bid documentation, shall be referred to the Bid Review Committee.

OTHER PURCHASING PROCEDURES:

VENDOR OF RECORD/PRICE AGREEMENTS

A Vendor of Record (“VOR”) is established through a request for proposals process in order to establish a price agreement for one or more bidders to offer specified goods, services or construction to the Corporation or to the Region for a specified time period, upon the terms and conditions as set out in that particular price agreement. The Corporation may utilize the Vendor of Record procurement process to select any one VOR bidder if the total cost of the specific project/assignment does not exceed \$25,000. In the case of a contract valued in excess of \$25,000, at least three (3) bidders will be asked to bid. The Corporation shall have no obligation to any VOR bidder to order any goods, services or construction under a price agreement.

PROCUREMENT OF LEGAL SERVICES

The Region will procure the Corporation’s external legal services, in a manner that is cost effective and that is in accordance with the Region’s policy respecting the retainer of external legal services, as amended from time to time. Notwithstanding the foregoing, in respect of a project that is funded by a Provincial funding envelope, if the funding agreement requires the Corporation to retain other external legal services for the project, those provisions shall prevail over the provisions under this policy.

RESTRICTED COMPETITION AND NON-COMPETITIVE PROCUREMENTS:

Requests for invitational tenders are considered to be restricted competition procurements, because they invite less than the total known number of bidders available to bid on a particular procurement. Restricted competitions require the approval of the Board unless they are otherwise authorized under this policy, in which case they require the approval of the President. Where the project is funded by a Provincial funding envelope and is not included in the Corporation’s annual budget approved by Regional Council, restricted competitions will not be approved by the President without the prior approval of MetroInx.

SINGLE SOURCE PURCHASES

It is recognized that restricted sourcing and non-competitive single sourcing is required under certain circumstances. Justification submissions for these types of procurements

will be considered for approval by the Board or the President, as the case may be, in the following instances:

- where the compatibility of a purchase with existing equipment, facilities or service is the paramount consideration, including where a specification with a restrictive feature or functional requirement can only be met by one source;
- compliance with corporate quality and/or pre-established standards;
- service contracts with original manufacturers, or their prime agents, which, for all intents and purposes, can be considered extended warranty contracts;
- for the procurement of goods and services, the supply of which is controlled by a supplier that is a statutory monopoly;
- product restrictions and standards placed upon the Corporation by government related agencies;
- where the goods or services can be supplied by only a particular supplier and no alternative supplier or substitute product exists; these situations may arise in circumstances where specialized knowledge, experience or proprietary information is only available from one firm or individual;
- when the required work is to be performed on or about a leased building, or portions thereof, and where restrictions exist such that the work or service may be performed only by the lessor or the firms designated by the lessor;
- where any attempt to procure the required goods, services or construction has been made in good faith using a competitive process which has failed and it is not reasonable that a further attempt to procure the goods, services or construction be undertaken using a method other than a single source procurement method;
- where the purchase is the subject matter of a joint agreement with the Region or another regional municipality, an area municipality, and/or other government agencies, as the case may be;
- where a copyright or patent restricts ability to undertake competitive procurement;

The use of these reasons, or any other reasons for approval of a restricted competition and/or non-competitive single source procurement, does not imply certainty of approval for using a restricted competition and/or non-competitive single source procurement method. The final arbiter of this process will be the President, where the total cost of goods, services or construction does not exceed \$100,000, or the Board, where the total cost of goods, services or construction exceeds \$100,000.

The President may award the contract for a single source purchase provided that the total cost does not exceed \$100,000, in which case the award shall be subject to Board approval.

Despite anything otherwise provided in this policy, Metrolinx's consent to a restricted competition and/or non-competitive single source procurement must be obtained where the purchase is in respect of a project that is funded under a Provincial funding envelope and which project is not included in the Corporation's annual budget approved by Regional Council.

EMERGENCY PURCHASES

Despite any other provision of this policy, in cases of emergency, as determined by the President or the Chief Executive Officer, the purchase of goods, services or construction may be authorized without issuing a call for bids. An emergency procurement must be restricted to remedying the immediate situation only, and is not to be used as a tool for convenience. The Treasurer shall endeavour to obtain the lowest cost for any goods, services or construction required, using as fair and transparent a process as is feasible having regard to the particular emergency. The President may authorize the purchase where the total cost does not exceed \$100,000. An emergency purchase that has a total cost in excess of \$100,000 shall be authorized by any one of the Chief Executive Officer, Chair or Vice-Chair, together with the President or Treasurer. Where the project is funded by a Provincial funding envelope and is not included in the Corporation's annual budget approved by Regional Council, an emergency procurement will not be approved unless the prior approval of Metrolinx has been obtained.

CO-OPERATIVE PURCHASING

The Corporation may participate in co-operative purchasing with the Region, other government agencies or public authorities, where the President determines it is in the best interests of the Corporation to do so. The Corporation shall adhere to the policies of the agency calling the co-operative bid. The Treasurer shall submit a quarterly report to the Board to advise of the goods, services or construction purchased by way of co-operative purchasing. Where the project is funded by a Provincial funding envelope and is not included in the Corporation's annual budget approved by Regional Council, a decision to participate in a co-operative procurement will not be approved unless the prior approval of Metrolinx has been obtained.

UNSOLICITED PROPOSALS

Where an unsolicited proposal is received by the Corporation, the President may determine if the proposal shall be evaluated in accordance with the single source provisions of this policy. If the President determines that the unsolicited proposal should be considered a single source purchase, the President may award the contract in accordance with and subject to the single source provisions of this policy.

CONTINGENCIES AND SCOPE CHANGES:

Unless otherwise prohibited by a Federal or Provincial funding partner, the following guidelines apply in the event of a contingency or a change in scope:

CONTINGENCIES

Where any purchase of goods, services or construction has been authorized under this policy, the President may, in the case of a contingency, authorize disbursement of additional funds, provided that such additional funds shall not exceed fifteen percent (15%) of the total cost of the original contract or price agreement, and provided that the additional funds are required to complete the work set out in the original contract or price agreement. The President may authorize any such expenditure irrespective of the total cost of the original contract or price agreement.

CHANGE IN SCOPE

Where goods, services or construction have been purchased under this policy pursuant to a contract or price agreement and a change in scope of the project to which the contract or price agreement relates occurs which necessitates the purchase of additional or related goods, services or construction, such additional goods, services or construction shall not be purchased unless:

- a report is submitted to the Board; or
- the procurement procedures set out in this policy are complied with as if the additional purchase is a new contract or price agreement; or
- the total cost of the additional goods, services or construction does not exceed twenty percent (20%) of the total cost of the original contract or price agreement; or
- the total cost of the additional goods, services or construction is to be paid in full by a third party, and security to ensure payment is in place, to the satisfaction of the Treasurer.

Any amount authorized under this policy for a change in scope may be expended in addition to any expenditure for a contingency authorized under this policy and may be authorized by the President irrespective of the total cost of the original contract or price agreement.

The Chief Executive Officer and the President may jointly authorize the purchase of additional goods, services or construction in respect of a change in scope without satisfying the four aforementioned conditions provided that:

- the requirement for the additional goods, services or construction could not reasonably have been anticipated at the time of the award of the original contract or price agreement; and
- the authorization to purchase the additional goods, services or construction is required to prevent interruption in service delay or to avoid incurring extra costs; and
- a request is submitted to the Chief Executive Officer and President on a form prescribed by the Treasurer.

The Treasurer shall submit a quarterly report to the Board to advise of the award of any such contract.

CONTRACTOR PERFORMANCE AND LITIGATION:

The President shall be responsible for monitoring the performance of contractors and documenting evidence of such performance and shall report to the Board where the performance of a contractor has failed to comply with its contract or other requirements of the Corporation. In respect of projects that are not funded by a Provincial funding envelope and which projects are included in the Corporation's annual budget approved by Regional Council, the President may prohibit a contractor whose performance has been unsatisfactory from submitting a bid in response to a call for bids in accordance with policies adopted by the Board.

Save and except for the circumstances hereinafter set forth, no bid or proposal shall be accepted from, nor shall any contract be awarded or extended to any contractor or related party as determined in the discretion of the Solicitor, with whom the Corporation is engaged in unresolved litigation or where such contractor or related party is involved in unresolved litigation with the Region.

A bid or proposal may be accepted and a contract may be awarded or extended to a contractor or related party with whom the Corporation is engaged in unresolved litigation or where such contractor or related party is involved in unresolved litigation with the Region in the following circumstances:

- where there is only one qualified supplier of goods, services or construction and the Chief Executive Officer has approved the award; or
- in the case of an emergency; or
- where there is a legal obligation on the part of the Corporation to enter into the contract; or

- where the proposed contract is pursuant to the co-operative purchasing provisions of this policy or where another public agency will be party to the contract and has approved the award; or
- where the Federal or Provincial funding partner has approved the award and/or requires it as a condition of funding; or
- where the Corporation, and/or the Region, has been named as plaintiff or as a defendant pursuant to a subrogated interest and where, in the discretion of the Solicitor, an appropriate arrangement has been made to indemnify the Corporation and/or the Region, as the case may be; or
- where the contractor or other party is exercising rights pursuant to the *Expropriations Act*, R.S.O. 1990, c. E.26, as amended.

Despite the absence of any of the foregoing circumstances, in respect of projects that are not funded by a Provincial funding envelope and which projects are included in the Corporation's annual budget approved by Regional Council, where the amount in dispute in any unresolved litigation does not exceed \$100,000, the President may accept the bid or proposal or award the contract provided that the President is satisfied that it would be in the best interests of the Corporation, based on consideration of factors including but not limited to the following:

- the contractor's performance under previous contracts with either of the Corporation or the Region; or
- the Corporation's or the Region's claims history with the contractor; or
- an assessment of the overall risk and total cost in entering into a contract with the contractor.

The Treasurer shall submit a quarterly report to the Board to advise of the award of any such contract.

APPROVALS:

In respect of expenditures relating to a project that is not funded under a Provincial funding envelope and which project is included in the Corporation's annual budget approved by Regional Council, unless otherwise authorized by this policy, a report shall be submitted to the Board prior to authorizing an award of the contract for that expenditure in each of the following circumstances:

- where the contract price is in excess of \$500,000 and a request for proposals has been issued under this policy;

- the purchase exceeds the amount included in the annual budget of the Corporation for that purpose;
- where the term of a proposed contract is for a period longer than five years, or where the renewal of a contract would result in an aggregate term of greater than five years;
- where a request for tenders has been issued and the award is not proposed to be made to the bidder with the lowest cost responsive bid;
- where a request for proposals has been issued and the award is not proposed to be made to the bidder with the lowest cost, or if applicable, the lowest dollar cost per technical point, as the case may be;
- where there is an informality or irregularity in the bid documents that cannot be resolved by the Bid Review Committee;
- where the purchase of any goods, services or construction is not authorized by this policy; and
- where otherwise specifically provided in this policy.

In respect of expenditures relating to a project that is funded by a Provincial funding envelope and which project is not included in the Corporation's annual budget approved by Regional Council, unless otherwise authorized by this policy, the President and/or the Chief Executive Officer may authorize the award of the contract for that expenditure provided that the prior written consent of Metrolinx to the approval of the award in accordance with this policy has been obtained. For greater certainty, the President and/or the Chief Executive Officer's power to authorize the award of a contract for an expenditure on any such project is subject to any designated approval authorization protocols in place with Metrolinx pertaining to that particular project.

BID PROCEDURES AND PROCESS:

SITE VISIT/BIDDERS' CONFERENCE

A site visit provides an opportunity for all bidders to view and familiarize themselves with the site where the work will be performed. The visit allows the bidders to see existing conditions that may not be apparent in the documents, including matters that are difficult to describe in the documentation, and to witness conditions that may not have been contemplated when the documentation was prepared.

A bidders' conference is an informational meeting that has the same intent and form as a site visit, but occurs when there is not a particular site involved and when discussion is

generally required concerning the written specifications, general conditions or administrative matters.

If it is determined by the Treasurer that a site visit or a bidders' conference is warranted then attendance at the site visit and/or bidders' conference may become a mandatory requirement for bidders wishing to submit a bid.

ADDENDA

During the course of a competitive bidding process there may be changes to the specification and/or administrative portions of the call for bids documentation. The changes will be issued as written addenda by the Treasurer to all parties who are in possession of a set of the call for bids documentation and/or will be posted on the originating electronic forum. The bidder may be required to sign each addendum and include the executed addendum in their submission as proof that they received the addendum and considered its contents when putting together their bid.

Issuing addenda frequently generates the need to provide additional time for the bidders to react to the addenda, prior to the closing date and time. No addendum should be issued that does not allow bidders sufficient time to act on it. If required, the closing date and time will be extended provided that there is sufficient time for the bidder to act on the addenda.

COMMUNICATIONS WITH BIDDERS DURING THE BID PROCESS

It is necessary to strictly control communication about a call for bids between the Corporation and bidders while the call for bids is in progress. The person identified in the call for bids documentation is solely responsible for all communications with bidders during the call for bids process. If a bidder contacts any Board member or staff person other than that person during the bid period (once documents are issued), the person contacted should not discuss the matter and should direct the bidder to contact the person identified in the call for bids documentation.

CLOSING DATE AND TIME

Only bids received up to and including the closing date and time set out in the call for bids documentation will be accepted by the Corporation. Submissions received after the closing date and time will not be accepted and where possible, will be returned to the bidder(s) unopened. Unless otherwise specified in the call for bids documentation, the clock used to display the time for these purposes will be located at the reception desk, at the Corporation's head office, at 3601 Highway 7 East, Twelfth Floor, Markham, Ontario and will show hours and minutes (but not seconds).

BID OPENING / PUBLIC OPENING

Bids submitted in response to a call for bids will only be opened after the established closing date and time. Where there is an official public opening for public and

invitational bid processes, it will take place at the Corporation's offices. The general public may attend any public bid opening.

LATE BID SUBMISSIONS

Bids submitted to or received by the Corporation after the closing date and time will be time stamped on the envelope, and the bid will either be returned immediately to the person who delivered it, or where possible, will be returned unopened to the bidder on the next business day. Bids that are submitted after the closing date and time will not be opened except, if required, to find the name and address of the late bidder. No price or other information will be viewed or recorded from such bid.

MODIFICATIONS TO BIDS / WITHDRAWALS OF BIDS

The Corporation allows bids to be modified or withdrawn before the closing date and time, provided that the notification of the modification or withdrawal is in written form, such as a registered letter or facsimile transmission. Modifications to bids are not acceptable under any circumstances, after the closing date and time.

RELEASE OF PROCUREMENT INFORMATION AFTER BID CLOSING

All requests for information regarding a call for bids, after the closing date and time, are to be directed to and answered by the person identified in the call for bids documentation.

The release of information about bids that are opened publicly will be posted on the originating electronic forum, for information purposes only. The release of any information related to bidders who responded to a call for bids process, or other process, will be strictly controlled by the Treasurer, or, where the process was issued by Supplies and Services on behalf of the Corporation, by the Treasurer together with the Director of Supplies and Services.

Only the names of bidders who successfully pre-qualified as the result of a pre-qualification process will be released. The only information to be supplied to the public regarding a call for bids that has closed are:

- For publicly opened competitive call for bids processes, except RFPs, the bidder's name and the total bid price, unverified, are released. Option prices are not released;
- For RFPs, only the names of the bidders who submitted bids are released. Total contract price of the successful bidder as well as other bidders is permitted to be released after the award only;

- For RQQs, only the names of the bidders who submitted bids are released. Total contract price of the successful bidder as well as other bidders is permitted to be released after the award only;
- For a pre-qualification, the names of pre-qualified bidders only are permitted to be released.

CONFIDENTIALITY

All call for bids documentation will be treated as confidential, prior to issue to bidders. It may be necessary to release preliminary information about an invitational tender to bidders in advance so they can properly prepare for the call for bids and/or site visit, when long lead times are involved, or when short bidding periods are required. The release of any such information must be uniform to all bidders invited and details of the release of such information will form part of the call for bids file.

The contents of call for bids documentation are not confidential, after release to bidders, however, any bid submitted in response thereto is treated as confidential. Subject to the provisions of the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. F.31 (“MFIPPA”), where a bidder has submitted financial information regarding the bidder’s company, the information will be treated as confidential, unless the company is publicly traded and unless the information is otherwise available to the public through other public sources. In accordance with MFIPPA, the personal information provided by a bidder in a bid submission will be used solely in the evaluation process. In accordance with the requirements of MFIPPA, bidders should identify in their bid submission, any specific scientific, technical, commercial, proprietary, or similar confidential information, the disclosure of which could cause them injury. Bidders should not identify the entirety of their bid submission as confidential.

BIDDER DEBRIEFING

Bidder debriefings are provided to any bidder that requests a debriefing. Bidders who request a debriefing will be provided with information/feedback to help them determine how to improve upon their submissions for future opportunities. Such debriefings will not be held in order to debate the validity of the evaluation process or as a forum for bidder complaints. Information to be revealed during the debriefing process will be governed by industry best practices, applicable public sector guidelines and freedom of information restrictions. Bidder debriefing sessions will only be held after final execution of the contract with the successful bidder.

If the bidder requests additional information about the call for bids process that is not commonly released, they are advised of their option to make an application for release of the information under MFIPPA.

BID REVIEW COMMITTEE

The Treasurer shall establish a Bid Review Committee composed of the Region's Director of Supplies and Services, the senior manager requesting the procurement of the goods, services or construction, and the Solicitor.

If a bid contains an informality or irregularity, except those specifically identified in the Tendering/Proposal Procedures portion of the call for bids documentation, or if there is a challenge to the call for bids process, the issue shall be referred to the Bid Review Committee to determine whether the bid complies with the submission requirements set out in the call for bids or to determine the validity of the challenge. Where the process was issued by Supplies and Services on behalf of the Corporation, the issue shall be referred to the Bid Review Committee of the Region.

If the Bid Review Committee does not agree unanimously that the bid shall be accepted or rejected, in respect of a project that is not funded by a Provincial funding envelope and which project is included in the Corporation's annual budget approved by Regional Council, a report shall be prepared by the Treasurer for submission to the Board setting out the nature of the informality, irregularity or challenge and the proposed action to be taken. In respect of a project that is funded by a Provincial funding envelope and which project is not included in the Corporation's annual budget approved by Regional Council, the Treasurer shall prepared a report to the Metrolinx board unless otherwise required by Metrolinx.

GENERAL:

CONTRACT DOCUMENTS

Where the purchase of goods, services or construction has been authorized under this policy, the contract may be executed by the person who authorized the award, and shall be in a form approved by the Solicitor. Despite the previous sentence, all contracts for capital works shall be submitted to the Chief Executive Officer and the President for execution on behalf of the Corporation.

Where a contract for goods, services or construction is of nominal value and is not subject to the procurement procedures set out in this policy, the President may execute such contract, subject to the prior approval of the Solicitor.

All contracts executed pursuant to this policy shall be delivered to the Solicitor for safekeeping.

PETTY CASH

Despite anything otherwise contained in this policy, a petty cash fund may be established by the Treasurer up to one thousand dollars (\$1,000.00).

PAYMENT OF ACCOUNTS

Except as otherwise provided, the Treasurer shall be authorized to pay:

- all accounts for the purchase of goods, services or construction, where the purchase of such goods, services or construction has been made in accordance with this policy, or otherwise approved by the Board, or Regional Council, if applicable;
- all accounts in respect of expenditures relating to a project that is funded under a Provincial funding envelope and which project is not included in the Corporation's annual budget approved by Regional Council, where such expenditure has been approved by Metrolinx;
- all accounts authorized by payment certificate, for work done under a contract approved by the Board, or Regional Council, if applicable, where such payments have been certified in writing by the President;
- all items listed in Schedule "A" subject to such expenditures being approved in the annual budget (save and except for those expenditures relating to a project that is funded under a Provincial funding envelope and which project is not included in the Corporation's annual budget approved by Regional Council, in which case the Treasurer shall be authorized to pay so long as they have been approved by Metrolinx); and
- subject to the foregoing, all eInvoice vendor accounts as approved by the Treasurer, prior to validation of expenditures.

Before being authorized for payment by the Treasurer, any account for items set out in sections 1 and 2 of Schedule "A" shall be approved as follows:

- in the case of expenditures incurred by the Chief Executive Officer, Board approval;
- in the case of expenditures incurred by the President, approval by the Chief Executive Officer; and
- in the case of expenditures incurred by a senior manager other than the President, approval by the President.

SCHEDULES

The following schedules form part of this policy:

- Schedule “A”: Exemptions from Purchasing Procedures
- Schedule “B”: Glossary of Terms

PROCEDURES

Procedures to implement this policy are set out in separate documentation which is endorsed by senior management and may be amended from time to time, provided that such changes do not substantially alter or impact any of the principles set out in this Board endorsed policy. In respect of purchases for projects that are funded under a Provincial funding envelope, the procurement shall follow the procedures set forth in the Provincial “Management Board of Cabinet Procurement Directive July 2009” as same may be amended or updated from time to time. Where the purchase is in respect of a project that is not funded under a Provincial funding envelope, the procurement shall follow the procedures set forth in the Region’s Tendering/Proposal Procedures document, as same may be amended or updated from time to time. In the event of a conflict between the provisions of this policy and the Region’s Tendering/Proposal Procedures, the provisions of this policy shall prevail. In the event of a conflict between the provisions of this policy and any Provincial procurement directive or protocol, the provisions of the Provincial document shall prevail, unless Metrolinx otherwise agrees.

REFERENCE:

Approval

Report of the President entitled Purchasing Policy and Execution of Documents Policy dated May 21, 2010.

Authority

The *Municipal Act, 2001*, S.O. 2001, c. 25, section 270(2), and Ontario Regulation 599/06 Municipal Services Corporations, section 21(2) requires the Corporation to have a policy for its procurement of goods and services.

CONTACT:

Chief Finance and Strategy Officer and Treasurer, York Region Rapid Transit Corporation.

SCHEDULE "A"

EXEMPTIONS FROM PURCHASING PROCEDURES

1. Expenditures for training and education, including, without limitation:
 - a) attendance at conferences, seminars, courses and conventions;
 - b) subscriptions to books, magazines and periodicals;
 - c) fees for trainers/facilitators;
 - d) membership fees.

2. Refundable employment related expenses to staff of the Corporation and/or Regional staff delivering services to the Corporation, consistent with Regional policies, including:
 - a) advances for expenditures;
 - b) meal allowances;
 - c) travel expenses;
 - d) mileage allowances;
 - e) miscellaneous expenses – non travel.

3. Any purchase related to inter-company services with the Region, including, without limitation:
 - a) Regional invoices for salaries, benefits and overhead allocations;
 - b) audit services;
 - c) courier services for interoffice mail and external deliveries;
 - d) armoured delivery services for banking;
 - e) office equipment and supplies;
 - f) rental and lease payments for the Corporation's administration office and equipment.

4. General expenses of an employer, including, without limitation:
 - a) payroll deduction remittances;
 - b) medical, dental and other health benefits;
 - c) licences and permits required for the Corporation's or Region's personal property (e.g. vehicles);
 - d) debt payments;
 - e) insurance premiums;
 - f) damage claims;
 - g) petty cash replenishment;
 - h) postage;
 - i) tax remittances;
 - j) witness fees.

5. Expenses related to professional services, including, without limitation:
 - a) committee, Board, or Regional Council meetings;
 - b) licences and maintenance costs for proprietary software and systems.
6. Utility Charges, including:
 - a) water;
 - b) hydro;
 - c) natural gas;
 - d) fuel;
 - e) utility relocations;
 - f) telephone; and
 - g) telecommunications.
7. Postal charges.
8. Any payments required to be made by the Corporation under statutory authority.

SCHEDULE “B”

GLOSSARY OF TERMS

In this policy:

- “annual budget” means the estimates adopted by the Board and approved by Regional Council for expenditure by the Corporation during each fiscal year for the purposes of the Board and the Corporation’s business and objectives;
- “award” means the authorization to proceed with the purchase of goods, services or construction;
- “bid” means an offer or submission from a bidder received in response to a request for quotation, tender, proposal or call for bids, which is subject to acceptance or rejection;
- “bidder” means any person, corporation or other entity that submits a bid in response to a call for bids and includes a vendor on a Vendor of Record;
- “Board” or “Board of Directors” means the Board of Directors of York Region Rapid Transit Corporation;
- “call for bids” means a formal request for bids and includes a request for quotations, a request for tenders and a request for proposals;
- “Chair” means the Chair of the Board of Directors of York Region Rapid Transit Corporation;
- “change in scope” means any agreed change to the scope of a project to accommodate a need not originally defined in the contract or price agreement which relates to the project and which will require an adjustment to the project cost and/or schedule;
- “Chief Executive Officer” means the Chief Executive Officer of York Region Rapid Transit Corporation;
- “construction” means construction, reconstruction, demolition, repair or renovation of a building or structure and includes site preparation, excavation, drilling, seismic investigation, soil investigation, the supply of products and materials and the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures to a building or structure;
- “contingency” means costs that are in addition to, or exceed any stipulated contract or price agreement and which result from unforeseen or unexpected

conditions or circumstances, which could not have been reasonably anticipated and which arise during the currency of the contract or price agreement;

- “contract” means any form of binding agreement for the expenditure of funds by the Corporation. Contracts include, without limitation, consultant assignment agreements, construction contracts, and purchase orders, as well as other negotiated agreements;
- “Director of Supplies and Services” means the Director of Supplies and Services of The Regional Municipality of York;
- “dollar cost methodology” means the methodology used to determine the successful bidder where two or more bids are within 5 points of the highest overall score, with the successful bidder submitting the bid with the lowest dollar cost per technical point, provided that the technical score of the bid meets the minimum requirements;
- “dollar cost per technical point” means the product of
“X” ÷ “Y” where,
“X” means the total cost of the bid, and
“Y” means the technical score of the bid;
- “dollars” means Canadian dollars;
- “emergency” means an event or circumstance where the immediate purchase of goods, services or construction is necessary to prevent or alleviate serious delay, a threat to public health, safety or welfare, the disruption of essential services or damage to public property or any other expenditure that is necessary to respond to any such event and may include, but is not limited to, an emergency declared under the *Emergency Management and Civil Protection Act*, R.S.O. 1990, c.E.9;
- “goods” means personal property, including raw materials, products, supplies, equipment and other physical objects of every kind and description;
- “litigation” means any dispute between the Corporation and/or the Region and any other party or related party adverse in interest, including third party and cross-claims, where either a legal proceeding has been commenced for an injunction, a mandatory order, a declaration or the recovery of money, or a threat of legal action has been made in writing;
- “Metrolinx” means the corporation established by the Province of Ontario under the *Greater Toronto Transportation Authority Act, 2006* (now the *Metrolinx Act, 2006*);
- “Metrolinx board” means the board of directors of Metrolinx;

- “President” means the President of York Region Rapid Transit Corporation;
- “project” means an undertaking in respect of which an expenditure is incurred to construct, acquire, improve, demolish or maintain land, buildings, infrastructure, facilities, engineering structures, machinery and equipment;
- “proposal” means a submission received in response to a request for proposals, acceptance of which may be subject to further negotiation;
- “Provincial funding envelope” means any funding envelope by the Province of Ontario for the Corporation’s capital projects;
- “real property” means land, or land and buildings, and includes fixtures attached to such land or buildings as may be acquired or disposed of;
- “Regional Council” means the Council of The Regional Municipality of York;
- “responsive” means that a bid has complied in all material respects with the requirements set out in the call for bids documentation;
- “scope” means the work that has been described in a contract or price agreement that must be done to deliver the goods, services or construction with the specified features and functions and within the time specified as described in the contract or price agreement;
- “senior management” or “senior manager” means the President, Solicitor, Treasurer, or person with the title of Chief or any of their designates of York Region Rapid Transit Corporation;
- “Solicitor” means the Solicitor for the York Region Rapid Transit Corporation;
- “Supplies and Services” means the Supplies and Services Branch of The Regional Municipality of York;
- “tender” means a submission received in response to a request for tenders;
- “total cost” means the contract cost for the full term of the contract, or, in the case of contracts containing renewal provisions, at its full term potential, including all applicable fees, charges and disbursements which may include but not be limited to: (i) one-time costs such as site preparation, delivery, installation and documentation; (ii) ongoing operating costs under the contract including training, accommodation, support and maintenance; (iii) any value added taxes such as the Harmonized Sales Tax, Goods and Services Tax or Provincial Sales Tax or any blend or combination thereof; (iv) duties; (v) disposition costs; and (vi) benefits such as direct payments by the Corporation to the successful bidder(s),

indirect payments by third parties to the successful bidder(s), and any conferred value by the Corporation to the successful bidder(s);

- “Treasurer” means the Chief Finance and Strategy Officer and Treasurer of York Region Rapid Transit Corporation; and
- “Vice-Chair” means the Vice-Chair of the Board of Directors of York Region Rapid Transit Corporation.