

SUPPLIER GUIDE
CITY OF CAMBRIDGE
PURCHASING DIVISION

PURPOSE OF THE BOOKLET

The purpose of this booklet is to acquaint you and other representatives who wish to sell to the City, with the procedures followed by the Purchasing Division in carrying out the purchasing activities for the Corporation of the City of Cambridge.

Familiarity with these policies and procedures will assist you considerably in presenting your product or service to the City. It will also assist in developing cordial and businesslike relationships.

This booklet is intended as a general guide and as such, may not respond to all the questions, which you may have. If you do have questions which are not answered here, please check our website at www.cambridge.ca or telephone:

The Corporation of the City of Cambridge
Purchasing Division
4th Floor
50 Dickson Street
Cambridge, Ontario
N1R 5W8

Telephone: 519.740.4637
Fax: 519.623.6364

INTRODUCTION OF YOUR COMPANY & PRODUCT/SERVICE TO THE CITY

The City of Cambridge operates on the premise that competitive markets will provide us, and hence the taxpayers, with the best products and services available to meet our needs. We do not discriminate in favor of any particular class of supplier, but when examining prices, quotes and tenders, consideration is given to many factors. Some of these factors include: price, quality, delivery, services offered, past performance, taxes, shipping, insurance, and so forth.

We do maintain a suppliers list and will endeavor to contact specific suppliers for quotes on some of our needs. However, we do not always contact every supplier personally, sometimes preferring to advertise in the local papers and on our website.

If you are interested in being added to the list of approved suppliers, we invite you to fill out a vendor application, this can be found on our website or to write to us, preferably on your own letterhead, and describe your company to us including the products and services you are able to provide. It would be advisable to include in the letter information regarding your insurance coverage. (We require all our contractors and suppliers to have public liability insurance coverage with a minimum of \$2,000,000 prior to awarding contracts).

Companies that are currently on the suppliers list can be removed or suspended from it if circumstances warrant. Some actions which would necessitate such action may include, but are not limited to:

- Failure to comply with specifications
- Failure to deliver/complete within time specified in the purchase order/contract
- Failure to keep an offer firm for the specified length of time
- Failure to provide a performance bond, bid deposit or other required documents where required by the Tender/Quotation invitation
- Collusion with other bidders or potential bidders to restrain competitive bidding
- Failure to accept orders based on firm bids

- Failure to replace/repair damaged or ineffective goods
- Failure to uphold warranties/guarantees on products delivered
- Giving false or misleading information
- Violation of any law(s) of the Province of Ontario or the Government of Canada
- Consecutive failure to submit a tender/quote or indicate "no bid" when issued an invitation to submit bids
- Unsatisfactory performance or violation of responsible and acceptable business practices.

The City of Cambridge has recently adopted a Prime Contractor Performance Evaluation system by which the contractor's performance will be ranked at substantial completion of the project or more frequently if deemed necessary. The City's Project Coordinator in consultation with the project Buyer will complete the ranking. Once the ranking has been completed a meeting will be set up by the City, with the contractor to discuss the overall ranking for the project. From this ranking will stem a recommendation to either allow the contractor to bid on future projects or to place the contractor on a two year probation or to suspend the contractor from bidding on any future contracts for a three year period. In the event of a dispute over the final ranking, the contractor will have 20 days in which to appeal the decision. A Dispute Committee has been formed and will hear details of the appeal from both the contractor and City Staff. Upon weighing the facts of the appeal, the Dispute Committee will pass a decision, which will be provided, in writing, to the Contractor and City Staff.

THE PURCHASING POLICY AND THE BY-LAW

The Purchasing By-law #15-04, as amended from time to time and adopted by the Corporation in January 19, 2004, not only governs the Purchasing Division but it applies to vendors as well. Adherence to the Policy at the beginning of the procurement process will eliminate many potential problems. Therefore, we cannot stress enough the importance of understanding the Corporation's Purchasing Policy and becoming familiar with its directives.

The highlights of the Policy say that Purchasing is to:

- a) Obtain the right goods and services in an efficient and cost effective manner.
- b) Encourage open, competitive bidding.
- c) Operate a centralized purchasing program.
- d) Issue quotations and tenders where feasible and practical as follows:
 - i) Goods and services up to a value of \$2,000.00 may be purchased by the user Departments under the Small Order System or purchases up to a value of \$2,000.00 can be made by using a City of Cambridge Purchasing Card provided such vendors are not covered by Blanket Order or Contract Order purchase orders.
 - ii) Where goods and services have a value not in excess of \$20,000. the Manager of Purchasing may authorize a purchase, blanket or contract order upon written authorization.
 - iii) Solicit a minimum of two (2) written quotations for purchases \$5,000 to \$10,000. or less than \$20,000 where necessary.
 - iv) Put out advertised public tenders/quotations for purchases over \$100,000.

Users of these goods and services play an equally vital role by carefully planning for their requirements, detailing them and working along with Purchasing throughout the buying process in order to comply with the Policy. Please be aware that staff other than the Purchasing Manager or his/her delegate may not commit the Corporation to any purchase without authorization.

One of the things the Purchasing Manager indicates when signing a purchase order, is that the transaction is the best one that can be made for the City. The Corporation, its Management Committee, Auditors and indeed the Public, expect this.

The Purchasing Manager must ensure that the judgment used in issuing the order was based on sound purchasing principles in accordance with the Corporation's policy, purchasing ethics and business law.

AN OUTLINE OF THE PURCHASING DIVISION AND ITS FUNCTION IN THE CITY

Our Purchasing Division's objective is to look after the needs of our users. Some of the ways that we do this are:

- a) Selecting the supplier who can be responsive and responsible.
- b) Arriving at a price, which is good for both buyer and seller.
- c) Negotiating the most cost-effective terms and conditions to assure proper supply.
- d) Issuing, then administering the contract.
- e) Following up to ensure proper delivery.
- f) Ensuring vendor support for the product after it is delivered.
- g) Fostering healthy competition among vendors.
- h) Knowing whether Federal or Provincial taxes apply to our purchases.
- i) Making certain that shipments are on time and delivered to the right place.
- j) Administering contracts, which are of benefit to both vendor and buyer.

In short, the basic elements of the purchasing function are many and varied; and the Purchasing Division is committed to carrying them out on behalf of the Corporation by obtaining proper equipment, materials, supplies and services when needed, with the Right Quality, the Right Quantity, at the Right Price, from the Right Source and at the Right Time.

BUYERS

The City of Cambridge Purchasing Division is divided into Departmental Buyer Groups, with each Buyer being knowledgeable of the Department's operation.

This permits the supplier the opportunity of working directly with the Buyer and if required, a Department representative when presenting their product or service to the City.

You are encouraged to contact the Purchasing Division when planning a visit to a City operation.

Please be aware that City staff, other than the Manager of Purchasing and Inventory, or his/her delegate, may not commit the Corporation to any purchase without authorization unless authorized under the Purchasing By-law.

THE PURCHASING PROCESS

The Purchasing Division has a number of purchasing systems in place, which are listed as follows;

Specialized Purchasing Systems

- (a) Small Order System
- (b) City of Cambridge Purchasing Card
- (c) Blanket Purchase Order
- (d) Contract Order

Competitive Sealed Quotations

Competitive Sealed Tenders

- (a) Tenders
- (b) Co-operative Tenders
- (c) Proposals

Sole Source Procurement

Emergency Procurement

LEVELS OF BUYING AUTHORITY & BRIEFLY HOW THEY FUNCTION

The expenditures of each purchase request dictate what method is used. These are further outlined below:

1. SPECIALIZED PURCHASING SYSTEMS

- a) SMALL ORDER SYSTEM (\$0 - \$2,000.) is to be used for non-blanket order vendors only. Photo identification cards are issued to all authorized City of Cambridge employees. This system is limited to the purchase of items under \$2,000.00 each or a TOTAL invoiced value of \$2,000.00 excluding all taxes and freight.
- b) PURCHASING (VISA) CARD (\$0 - \$2,000) is to be used for non-blanket order vendors only. This system is limited to purchase of goods or services under \$2,000.00.

- c) BLANKET ORDERS may be issued from time to time for small dollar products or services, which are to be provided by the same vendor more than once during the year. Blanket orders are more cost effective than individual purchase orders and easier for all to handle. There is a fair bit of work on the part of the Purchasing Division and you, the Vendor at the onset, but once the order is established all you have to do is respond to the users request for the goods and services needed within dollar limits established.

The user department is obligated to complete the "Blanket Requisition" and hand one (1) copy to you. Other copies of this form must be forwarded to Accounts Payable and Purchasing, which will be matched to your invoice to generate payment. Failure to obtain proper Blanket Requisitions from users will delay payment. It is your responsibility to acquire a hardcopy blanket requisition order number from Users. This number must be recorded on your invoice together with your assigned Blanket Order Number.

- d) CONTRACT ORDERS are issued for specific goods and services at specific prices and periods of time. Only those goods and services specified on Contract Orders may be obtained. There are some contract purchases that are made by way of Release, using the blanket requisition order form against the Contract and the supplier delivers the goods. For example, tire repair/replacement and topsoil are delivered using Contract Orders. The same paperwork for the completion process is done for contract orders as blanket orders.

2. COMPETITIVE SEALED QUOTATIONS

- i) Formal Quotations (\$20,000. - 100,000.): A formal request is usually prepared and sent out to a group of potential suppliers. The responses are analyzed in consultation with the user to determine the best quality, price, quantity and delivery before a purchase order is placed with the successful supplier.
- ii) Informal Quotations (\$1,000 - 20,000.): Where applicable, the appropriate buyer will obtain competitive bids by telephone or in writing and establish the same criteria as above and issue a purchase order.

3. COMPETITIVE SEALED TENDERS OR PROPOSALS are required under the following conditions:

- i) Tenders (Over \$100,000.): The user in consultation with Purchasing and other City departments is responsible for writing the specifications for goods or services required. Purchasing assists in this process to try and ensure that the specifications are written as objectively as possible to promote competition.

The tender package when approved by the Purchasing Division is released to the public and an advertisement notifying potential vendors of our tender call is placed in appropriate newspapers and on the City of Cambridge website at www.cambridge.ca. Interested parties may pick up documents at a specified charge and submit bids. Bids must be received no later than 2:00 p.m. on the closing date. Bids received past this time will not be accepted or opened. The properly received bids will be opened with any interested public in attendance in the Corporation's offices at 2:30 p.m. on the day of closing.

The responses are checked and analyzed in consultation with the user to determine the lowest responsible bidder.

Written recommendations for award are then presented by Purchasing to Management Committee for review, and forwarded to Council for approval. If approved, a contract is finalized and a purchase order or agreement is issued or

signed. The tender results, as presented to Council, then become public information after they have been accepted by Council.

(ii) Co-operative Purchases

The Corporation participates in Co-operative purchasing with other governmental agencies in the buying of bulk purchases common to all. Examples are gasoline, diesel fuel, highway salt, heating fuel and natural gas to name a few. Each participating agency takes turns in calling these common products.

iii) Consulting Services are called as outlined in the Purchasing By-law, no formal public opening.

4. SOLE PROCUREMENT is a Purchase made by negotiations where there is only one source of supply for the goods or services. This requires special Council approval in most cases.

5. EMERGENCY PROCUREMENT

True emergencies do exist and we have certain procedures to handle them. Purchasing will do everything they can at these times to assist you, the supplier and our Users, within the confines of our Purchasing Policy.

Emergency is defined as "immediate repair or replacement of equipment, services or facilities in order to maintain a required public service or to prevent damage to life, limb or property within the Corporation".

EXPEDITING

Please advise our Purchasing Division if you have any trouble with the agreed delivery dates or conditions, immediately if known. This procedure will assure a long and advantageous relationship. If Purchasing knows in advance that an order needs special attention, they will let you know at the time of placing the order or by follow up.

RECEIVING

We do not have a full-centralized receiving department so our users must act as the receiver in some areas.

In such cases we stress that it is important that they inspect the shipment and ensure it matches the quality and description of the packing slip and purchase order. If all is well, they will sign and date a copy of the receiving copy of the purchase order and forward it to Accounts Payable.

If some of your goods are on back order, we will still pay for the received portion as a partial payment.

Accounts Payable ensures that only the goods received are paid for, so invoices must agree with shipments to speed your payments.

ACCOUNTS PAYABLE

After a purchase order has been awarded to a vendor, four (4) steps remain before the transaction is completed. These are as follows:

- 1) Delivery and acceptance of the goods and services.
- 2) A report of receipt of the goods and services by the User Departments to Accounting and Purchasing.
- 3) Invoicing by the Vendor is to be forwarded directly to Accounts Payable and not to City staff.
- 4) Payment by the Corporation.

Terms of payment, unless otherwise negotiated in writing, will be net thirty (30) days from the date of receipt of invoice or net thirty (30) days from receipt of goods or services whichever is later. The City welcomes early payment discounts on Tenders and Quotations, the discount becomes an advantage in the selection process.

Application by vendors for penalty charges for late payment will be disallowed as per City policy.

The City prides itself in paying its debts on time, and we ask for vendor assistance to help us meet these objectives.

PROFESSIONAL ASSOCIATIONS

Our Purchasing professionals maintain their expertise through memberships and active participation in the following associations:

- 1) Ontario Public Buyers Association Inc. (OPBA)
- 2) National Institute of Governmental Purchasing, Inc. (NIGP)
- 3) Purchasing Management Association of Canada (PMAC)

ETHICS

The Corporation expects a high standard of ethics in conducting its business and reserves the right to reject any supplier whose performance breaches these standards.

Employees of the Corporation may not accept gifts and gratuities or other things of value from vendors.

The Purchasing Division maintains memberships in the above Associations and does subscribe to their Codes of Ethics.

ETHICAL PRINCIPLES

We subscribe to the principle that personal aggrandizement or personal profit obtained through misuse of public or personal relationships is dishonest and not tolerable.

We endeavor to identify and eliminate participation of any individual in operational situations where a conflict of interest may be involved.

We believe that members of our staff should at no time or under any circumstances, accept directly or indirectly gifts, gratuities or other things of value from vendors.

Any supplier whose practices are found to contravene these ethical principles will be disqualified from future tenders or purchases.

LAST BUT NOT LEAST

Our Purchasing Division is there to serve our Users and assist you in dealing with the Corporation and those Users. Since Purchasing is a CO-OPERATIVE VENTURE, between the User, and you the Supplier, we encourage you to take advantage of our services.

Suppliers, contractors etc., interested in providing the City of Cambridge with their products should contact the Purchasing Division for further information and make an appointment, if necessary.

Should you wish to be put on the bidders list, send in a letter as noted previously for the files, or simply bid on specific jobs. All tenders are publicly advertised and are posted in our division on the bulletin board and on our Corporate website.

If you wish to discuss the technical elements of any particular project with the department concerned, it is essential that you contact the Project Co-ordinator/Engineer as specified in the tender/quotation documents. If no Project Co-ordinator/Engineer is specified, please contact Purchasing and we will then assist you in receiving an appointment with the appropriate person(s) in the correct user department. When you come for the appointment, it is also important to visit the Purchasing Division so that:

- a) We are kept completely informed
- b) We can inform you of new developments
- c) We can maintain up-to-date vendor information

Please keep in mind that certain personnel are only available at certain times, therefore, it would be appreciated if you could set up an appointment or call in advance to ensure that the person you wish to speak with will be available to take the necessary time to meet with you.

If you want to conduct a demonstration/seminar, arranging it well in advance with Purchasing will enable us to make the necessary internal arrangements. It is your responsibility to identify to us the benefits of carrying out such a demonstration. It is also your responsibility to identify which personnel in our corporation you would like us to invite to attend. (e.g. Engineers, Buyers, Mechanics etc.). Such events may take some time for us to arrange so please plan accordingly. We will then notify you regarding what arrangements, if any, we have made.

If you would like to leave us a "free sample" to try out and evaluate, arrangements must also be made through the Purchasing Division and the MSDS sheets, if applicable, must be provided. The sample (or literature) is to be provided free of charge. Samples will be returned at the supplier's expense only upon request. (Samples submitted by successful bidders may be retained until completion of a contract for comparison with the delivered product(s).)

This booklet is designed to inform our potential and current vendors of the City of Cambridge procedures and expectations. Regardless of Company size, we operate on a friendly, professional level and are proud to be able to say that problems with vendors seldom arise. We hope that you will consider dealing with the City of Cambridge - we're open for business!

FURTHER, WE ENCOURAGE YOU TO READ THIS GUIDE AND KEEP IT HANDY FOR FUTURE REFERENCE.

For more information call:

John Avery, CPPB
Manager of Purchasing and Inventory
519.740.4637 Ext. 4293

Denise Hellyer
Senior Buyer
519.740.4637 Ext. 4515

Pam Kent
Buyer
519.740.4637 Ext. 4513