PROCUREMENT & CONTRACT SERVICES PROCEDURES

This document is the companion to the Metrolinx Procurement Policy and is designed to provide staff with practical guidance in the understanding and processing of all levels and complexities of Procurements at Metrolinx. The areas of the Procurement process covered here include: Authority and Responsibilities, Initiation, Procurement Methods, Sourcing, Consulting Services, Tendering, Review and Evaluation of Bids, the Awards Process and Contract Management.

In addition, this manual details other key processes and areas of Procurement responsibility, including it's Computer System, Programs surrounding the corporate Purchasing Card, Assets Disposal and Uniforms and Work Clothing and the forms used to process various Procurement transactions.

Metrolinx's Procurement strategies, practices and procedures are based on best industry practices and the latest in tendering and contract case law, and are designed to ensure protection of the public interest, to maximize Competitive Bidding, to reflect public sector purchasing practices, and to promote accessibility by qualified Vendors to this agency's business and Procurement processes.

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PROCUREMENT AUTHORITY AND RESPONSIBILITIES

Metrolinx's Procurement Policy establishes the Procurement and Contract Services Division of the Financial Services Business Unit ("PCS"), as the staff division responsible to oversee all Procurement activities, and to provide Procurement services on behalf of Metrolinx, including the undertaking of processes related to:

- The acquisition of all goods and services for Metrolinx, in compliance with all applicable laws and corporate policies, procedures and practices;
- Developing and implementing mechanisms for Metrolinx staff departments to make direct purchases of low dollar value goods and services, subject to compliance with Board approved signing authority levels;
- The overview of Procurement and preparation of management reports on all purchasing activities conducted under policy;
- Developing strategies for the Procurement of complex/difficult/unique Procurements;
- Developing and implementing mechanisms for dispute/complaint resolution with Vendors;
- Developing and implementing mechanisms to ensure accessibility by qualified Vendors to Metrolinx's work; and
- Maintaining and overseeing the implementation of policy, initiating updates to policy and recommending changes to policy, as required from time to time.

The estimated expenditure on any given Procurement is the determining factor in selecting the formality of a Procurement process. To determine the value of a procurement, all costs and benefits associated with entering into a contractual relationship with a third party must be considered. Staff are directed to the Metrolinx Procurement Policy for a complete list of the costs and benefits that should be considered.

There are four (4) main parties in the Procurement process: the Client (user group) who requires the goods or services; the Vendor who supplies the goods or services; PCS, who co-ordinates the competitive Procurement process and the Control Approval; and staff with signing authority, Executive or the Board, who are by policy required to give prior approval for Procurements.

The following responsibilities apply to simple purchases, Tenders and other Procurements that require a detailed specification and/or evaluation criteria.

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The respective responsibilities of the primary parties in any Procurement (PCS and the Client), including Procurement Card purchases conducted under policy, are as follows:

PCS

- Determining, in consultation with the Client, the Procurement strategy including Procurement method, schedule of Procurement events and evaluation criteria;
- Determining the advertising content, publications and arranging through Strategic Communications for the advertisement, if required;
- Determining, in consultation with the Client, which Vendors will be invited to bid for invitational Procurements;
- Determining, in consultation with the Client, the need for and timing of site meetings or Bidders conferences;
- Ensuring that the work descriptions and the specifications clearly describe the work to be carried out, the objectives to be obtained and the time-frame and that they are structured in such a way as to encourage and accommodate the use of the competitive process;
- Ensuring that an equal opportunity to compete exists for all firms and individuals, providing that they have, in the judgement of PCS and the Client, the technical, financial and managerial competence to discharge the Contract and meet the criteria established for a particular Procurement event;
- Ensuring that an employer-employee relationship will not result when Contracting for the services of individuals;
- Preparing and distributing Procurement Documents;
- All communications with Vendors during the Procurement, up to and including Contract execution/PO award;
- Opening bids, determining responsiveness and acceptability of each bid;
- Storage and security of Procurement Documents and bid deposits, other than those submitted electronically;
- Ensuring that fees paid do not exceed the appropriate market rate for the service provided;

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- Executing all PO's and Contracts (except Negotiated Contracts) on behalf of Metrolinx.
- Assessing risk (Bonding and Insurance requirements); and
- Ensuring legal compliance of the Procurement process.

CLIENT

- For simple purchases, the Client must complete a Requisition, providing a description of what is to be bought, in what quantity and when and where the goods and/or services are to be delivered, as well as a reasonably accurate estimation of the cost and associated accounting codes. The Client ensures the availability of funds and prior approval of the expenditure, as covered by the corporate Approval Authorization Policy.
- Tenders and complex, high value or sensitive purchases also require a Requisition, but must be discussed with a Buyer, Contract & Tendering Officer, Contract Specialist or PCS Management well in advance of the requirement. Overall, the Client is responsible for the following:
  - Providing a duly authorized Requisition;
  - Providing work descriptions and Specifications for the goods and/or services which are defined in terms of clear outputs or performance requirements;
  - Providing a list of potential Vendors;
  - Providing proposed evaluation criteria;
  - Technical evaluation of responsive bids;
  - Preparing recommendations and acquiring approvals for award of Contracts;
  - Receiving the goods and/or services;
  - Administering the Contract and dealing with the Vendor after the PO or Contract is awarded;
  - Administration of warranty;
  - Approving payment.

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PROCUREMENT PLANNING

Metrolinx Business Units must assess various planning requirements for individual procurement activities as appropriate to that procurement. Staff are directed to the Metrolinx Procurement Policy for a complete list of planning requirements that should be considered.

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DEFINITIONS

For purposes of this Procurement & Contract Services Procedures & Practices document and the daily operation of the Procurement function within Metrolinx, the following terms (in singular and plural) will be interpreted to have the meaning ascribed to them as follows:

ACAN

An Advance Contract Award Notice. An ACAN is a public notice indicating to the supplier community that Metrolinx intends to award a goods or services Contract to a pre-identified Vendor, thereby allowing other Vendors to signal their interest in bidding by submitting a statement of capabilities.

ACQUISITION

A Procurement or purchase. The process for sourcing, ordering and obtaining goods and services;

ADDENDA / ADDENDUM

A formal release of relevant additional information from the PCS office, to all Bidders during a Competitive Bidding Process;

AGREEMENT

Written documentation, in the form of a formal Contract or Purchase Order, between Metrolinx and a successful bidder, as a result of a Competitive Bidding Process, or a negotiation. An Agreement can also exist as a result of a Purchasing Card transaction which may be conducted in verbal or written form;

AMENDMENT

A formal extension to a Contract which includes a re-issuing of the affected Appendices of the Agreement and a revised Form of Agreement to be executed by all parties; can include an increase or decrease in the scope of work, the term of the Agreement and/or the total Contract price (as governed by corporate Approval Authorization Policy);

APPROVALS

The authorization to proceed with the purchase of goods and services as defined in the Corporate Approval Authorization Policy;

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AWARD

Notification to a Vendor that their bid has been accepted by Metrolinx and that, pending compliance with certain conditions, Metrolinx will enter into a Contract with the Vendor for the Work;

BID

An offer or submission from a Vendor in response to a Competitive Bidding Process, which is subject to acceptance or rejection;

BIDDER

An individual or firm (Vendor) submitting a Bid;

BOARD

The Board of Metrolinx;

BUYER

A person who is able to obtain quotations and whose signature on a Contract will bind the Corporation in accordance with Metrolinx's Approval Authorization Policy (also a Contract and Tendering Officer, Contract Specialist, the Purchasing Agent, or PCS Management);

CARDHOLDER

A Client or Buyer who is able to make an acquisition using a Metrolinx Corporate Purchasing Card;

CHANGE ORDER

A formal written amendment, typically to a Construction Contract, prepared by a Consultant and executed by all parties, stating their agreement upon; a change in the Work; the method of adjustment or the amount of the adjustment in the Contract price, if any and the extent in the adjustment of the contract time, if any.

CLIENT

Any Metrolinx employee, Section, Office, Branch or Division that uses the services of PCS and specifically the person who is the initiator and authorized contact for a particular Procurement;

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CLOSING DATE

The date that is specified in the Procurement document as the date on or by which submissions to a particular Procurement event must be received by Metrolinx at a specified location;

CLOSING TIME

The time of day, local time, that is stated in a Procurement Document as the deadline by which submissions to a particular Procurement event must be received by Metrolinx. Submissions received after this time will not be considered;

COMPETITIVE BIDDING PROCESS

The process of obtaining bids from multiple Bidders for the same thing at the same time, which is undertaken exclusively by PCS;

COMPLIANT BID/PROPOSAL

A submission (Bid) made by a Vendor that meets all the administrative requirements of the Procurement Documents, as determined by an administrative review of the submission by PCS. Not to do with the technical Specifications;

CONSULTANT

An individual or firm (Vendor) who when under Contract to Metrolinx, provides specified professional/technical services;

CONSULTING SERVICES

The provision of expertise or strategic advice that is presented for consideration and decision making, which includes management consulting, information technology consulting, technical consulting, research and development, policy consulting and communication consulting;

CONTRACT

A Contract can be verbal or written, but for the purposes of this policy is a written and binding Agreement between two or more parties, entered into by means of an executed formal form of Agreement bearing the signatures of all the parties;

CONTRACTOR

A Vendor;

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EMERGENCY

A situation where the immediate purchase of goods or services is essential to prevent serious delays in the performance of duties or provision of service, excessive costs, and further damage or to restore minimum service or safety;

EVALUATION COMMITTEE

A group of Metrolinx staff organized by the Requisitioning Client in consultation with PCS and which will usually include representation from the Client department as well as at least one member from a non-Requisitioning department, whose task will be to review and evaluate the technical responses of an RFP or RQQ in accordance with the published evaluation criteria in order to determine which Bid will be selected;

GO EXECUTIVE COMMITTEE

A committee composed of the President of GO Transit and all reporting Vice-Presidents which is responsible for the decision-making processes associated with the day-to-day operations of GO Transit in conjunction with all relevant corporate policies and procedures;

EXTENSION

An Amendment to a PO; formalized by re-issuing the PO with details related to the altered term and/or requirements of the original order, which can include an increase or decrease in the scope of work, the term of the Agreement and/or the total Contract price (as governed by corporate Approval Authorization Policy);

INSTRUCTIONS TO BIDDERS

The instructions given to prospective Vendors in the Procurement Documents;

INVITATIONAL TENDER (IT)

A Tender that is not advertised publicly, only those qualified Bidders who are invited by Metrolinx can submit Bids;

INVITATIONAL TENDER – CONSULTING (ITC)

A Tender that is not advertised publicly, only those qualified Consultants who are invited by Metrolinx can submit Bids;

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MERX

The electronic tendering service designated by the Provincial Government as the source for advertising all bid opportunities;

METROLINX EXECUTIVE TEAM

A committee composed of the President & CEO of Metrolinx, President of GO Transit, President of ARL, Managing Director & Executive Vice President Presto, the CFO, General Counsel and the Vice President Strategic Communications, which is responsible for the development and approval of major corporate policies and procedures and provides advice and guidance to staff on major corporate activities;

NEGOTIATED CONTRACT

A Contract that, in Single or Sole Source situations, is entered into between Metrolinx and a Vendor for the provision of goods and/or services where the Contract terms, conditions, specifications and price are subject to negotiation between the Vendor and Metrolinx;

NON-RESPONSIVE BID

A Bid, which fails to respond to or meet the requirements of the Instructions to Bidders;

OPENING

The opening by the Tender Opening Committee of all Bids received for a specific Competitive Bidding Process as soon as practicable after the Closing Date and Time;

PCS

The Procurement & Contract Services Office of Metrolinx;

PCS^3

The computer program used for all Procurement data entry and storage, PO production, distribution of information and reporting of Procurement related events;

POLICY

The Procurement Policy, which constitutes the official directives for the operation of the procurement function within Metrolinx;

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PRE-QUALIFICATION

A formal process by which Vendors submit their qualifications to be selected to be invited to participate on an impending Competitive Bidding Process after their qualifications have been reviewed and evaluated;

PROCUREMENT

An Acquisition;

PROCUREMENT DOCUMENTS

The formal written documents issued by PCS for a Tender or other Procurement method, both generally and specific to a particular Procurement;

PROPOSAL

An offer from a Vendor in response to an RFP, acceptance of which may be subject to further negotiation;

PUBLIC TENDER (PT)

A Tender that is publicly advertised on MERX or in specific situations, also in venues where the Vendors normally look for opportunities to bid on work;

PURCHASING CARD (PCARD)

A credit card issued by a Bank or financial institution in the name of individual employees for the purpose of allowing Clients to make direct, low dollar value Procurements in compliance with the Purchasing Card section of this policy;

PURCHASE ORDER (PO)

A Purchase Order is a binding offer and Agreement to purchase goods and/or services according to specified and agreed to price, terms and conditions between two or more parties. Purchase Order documents are created and executed by Metrolinx and forwarded to the Vendor as confirmation to commence with the performance of the services and/or delivery of goods;

QUALIFIED VENDOR

A Vendor, who is assessed by Metrolinx to possess adequate financial and technical resources, has sufficient experience, proven capability or apparent capability to conduct the Work;

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QUALIFYING STATEMENT

Written statements or marks made by a Bidder on a Procurement Document or on an enclosure, which qualify or make conditional the Bid or some portion of the Procurement Document;

REQUISITION

A request, in an approved form, generated in PCS^3 to initiate the Procurement of goods and/or services;

REQUEST FOR PROPOSAL (RFP)

A Procurement process where a comprehensive specification may not necessarily be provided, but the desired end result is identified. Bidders are requested to submit proposals on how to achieve the end result. Proposals received usually contain a detailed scope of work and complete details of the project. Technical aspects of a Proposal are often a more important factor than price;

REQUEST FOR QUOTATION (RFQ)

A Procurement process for goods or simple services where the Bidder is asked to submit a price, where there is no binding obligation on either party and a Contract is not formed until the Bidder accepts a PO;

REQUEST TO QUALIFY AND QUOTE (RQQ)

A Tender process for Consulting or other services where there is an identified need to evaluate the experience of an individual or team independent of price.

RESPONSIVE BID

A Compliant Bid/Proposal;

SINGLE SOURCE (SINGLE SOURCING)

More than one source exists in the market for particular goods or services, but only one is recommended for consideration in An Agreement, without formal competition;

SOLE SOURCE (SOLE SOURCING)

There is only one known source of supply;

SPECIFICATION/TECHNICAL SPECIFICATION

The portion of a Procurement Document which gives a detailed written description of the goods or services to be provided by the Vendor. These descriptions or specifications are defined in terms of clear outputs or performance requirements that will encourage and accommodate the use of the competitive process;

STIPULATED PRICE CONTRACT

A Procurement (and the resulting Contract) where the Total Contract Price is all-inclusive;

TENDER

A Competitive Bidding Process, which can be issued invitationally or be publicly advertised; is initiated through the issue of Procurement Documents which results in the submission of written offer(s) from Bidders to sell goods and/or services to Metrolinx, and where price is the determining factor of award;

TENDER OPENING COMMITTEE

The committee responsible for Opening and recording responses to all Competitive Bidding Processes, either publicly advertised or invitational, which are opened publicly or in private;

TOTAL CONTRACT PRICE

The total sum of all invoice costs for a particular Procurement, excluding applicable taxes;

UNIT PRICE CONTRACT

A Procurement (and the resulting Contract) where the Total Contract Price is a multiple of the price of each individual unit, for a service or commodity. The Contract price is adjusted using the unit prices if actual quantities change;

VENDOR

A Contractor, company, individual or entity that supplies goods and/or services, for use by Metrolinx;

VENDOR OF RECORD (VOR)

A Procurement arrangement, established through an RFP process, that authorizes one or more Vendors to offer specific goods or services to Metrolinx or the Province (including it's agencies), for a defined period of time, upon the terms and conditions as set out in a particular VOR agreement; and

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WORK

The subject of a Procurement, it can be services or commodities.

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REQUISITION

All Procurements conducted by PCS are initiated by a Metrolinx Requisition created in the PCS^3 system and duly authorized by the Cost Centre Manager or person designated to initiate Procurements for the Cost Centre. The Requisition authorizes PCS to commit time and resources to a Procurement process. This process creates costs for Vendors and must only be used when funds are approved and there is a genuine intent to procure the goods and/or services in question.

Where a Procurement is executed by a PO, the actual purchase will not take place until the Requisition bears an authorized signature, which is based on the estimated value of the actual Procurement and the current corporate Approval Authorization Policy. For Procurements that result in executed Contracts, a Cost Centre Manager must initiate the requisition and resulting Procurement process, and the Contract must not proceed until the appropriate award approvals are obtained in the tender module of the PCS^3 system.

Pricing information for budgeting and other purposes must be obtained by methods other than a formal Procurement process. However, such methods must not include obtaining such information from multiple Vendors for the same thing at the same time. Pricing data for budgeting purposes should only be obtained from one Vendor and is for information purposes only.

Any Requisition submitted to PCS for action must contain the following:

- Accounting codes
- Shipping address
- Quantity required
- A complete description of the goods and/or services required including complete technical specifications (as appropriate to the complexity of the Procurement event)
- Action required (Single Source, Restricted Source, Tender action, Extension, Amendment, etc.)
- Delivery requirement (Specific dates, **not** RUSH, A.S.A.P., etc.)
- Budget Estimate
- Originator
- Authorization (see Approval Authorization below)

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- Suggested sources of supply

APPROVAL AUTHORIZATION

Approval authorization levels, as defined in the corporate Approval Authorization Policy, include all expenses, but exclude all applicable taxes. Cost Centre Managers or those with designated control approval have a fiduciary responsibility in these matters and must not authorize requisitions that do not have clearly defined expenditure limits. Requisitions without an accurate Estimated Total Cost entered, will be returned for proper completion.

Requisitions for generation of Contract numbers or to initiate Tender action require Cost Centre Manager signatures, and the Budget Estimate must be completed in order to ensure that the proper Procurement process can be utilized. NOTE: To determine the value of a Procurement, all costs and benefits associated with entering a contractual relationship with a third party must be considered. Staff are directed to the Metrolinx Procurement Policy under the section "Procurement Methods Applicable to Specific Price Thresholds", for examples of costs and benefits that should be considered.

SPECIFICATIONS

The Client is responsible for supplying detailed Specifications for the goods and/or services to be procured. The Specification must describe and quantify the goods and/or services required in a generic manner without reliance on brand names to describe what is needed, except when dealing with Corporate Standards. Work descriptions and Specifications must be defined in terms of clear outputs or performance requirements that will encourage and accommodate the use of the competitive process. Terminology widely used and accepted by the trade should be used with caution. It is preferable to use concise descriptive terms and avoid jargon. Subjective terms such as "high quality", "heavy duty" and "as soon as possible" are not to be used. Industry and Government standards should not be blindly relied upon. The Client should understand what the standards are. All applicable standards should be referenced and required licenses and permits specified.

PCS is able to provide sample Specifications from previous Procurements as a reference. PCS is responsible to ensure the general sufficiency of Specifications provided by Clients and will not process Procurements that have insufficient, incomplete or unclear Specifications.

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PCS RESPONSE TIMES

Response times for various Procurements, time needed for document production and procedural time required by PCS for various stages of Tender processes will vary somewhat with the project complexity, the method of Procurement and departmental workload. As the estimated value of a particular Procurement increases, typically so does the complexity of the Specification, the Tender document, the Tender method and the time required for the overall process. It is the joint responsibility of the Client and the Buyer/Contract and Tendering Officer/Contract Specialist of PCS to develop an appropriate and agreed upon schedule at the beginning of each Procurement. Once a schedule has been developed, PCS will complete that schedule through the Milestones module tab contained in PCS^3, to the Client. Client groups should to be directed to Section PCS-0101-02 of this document and to the Metrolinx Procurement Policy to understand the planning requirements for individual procurement activities as appropriate to that procurement.

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STANDARD COMPETITIVE PROCUREMENT

PCS will establish standards for obtaining competitive pricing and to set corresponding levels of process formality to ensure consistency within the competitive process. The Procurement method selected by the Buyer/Contract and Tendering Officer/Contract Specialist or PCS Management is dependent on the estimated value of the Procurement, the type of Procurement and the urgency of the requirement.

It is the exclusive function of PCS to obtain written and verbal quotations, to conduct Tenders for all levels of Procurement and to be involved in or give prior approval for negotiated Agreements, except as noted in this procedure document (see Purchasing Card and Emergency Purchases). It is important to realize that verbal Agreements are legally binding and promises or commitments inadvertently made by an employee in casual discussions with Vendors could commit Metrolinx to unexpected and unauthorized financial obligations. PCS staff is responsible for ensuring the integrity of the quotation and negotiation processes.

Formal Tender action normally applies to Procurement of goods where the estimated Total Cost of goods is greater than $25,000 and services where the Estimated Total Cost is greater than $50,000 (Note: for the purpose of determining total cost, all potential expenditures must be considered, so that in the case of a three year Agreement valued at $20,000 per year, the Estimated Total Cost of the Procurement is considered to be $60,000, even if years two and three are exercisable at the sole discretion of Metrolinx). In addition, all costs and benefits associated with entering a contractual relationship with a third party must be considered when determining the value of a Procurement. Staff are directed to the Metrolinx Procurement Policy under the section “Procurement Methods Applicable to Specific Price Thresholds”, for examples of costs and benefits that should be considered and the various Procurement methods available for use.

Tender action is an industry term used to describe the broader Competitive Bidding Process. The Competitive Bidding Process is governed by case law in Canada and instances of incorrectly handled processes are heard regularly by the Supreme Court of Canada. Verbal and written quotations will normally be formalized by issuance of a Purchase Order; however, Tender action usually results in a formal Contract, which is executed by both parties.

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STANDARD PROCUREMENT DOCUMENTATION

Competitive Procurement processes utilize standardized formats and forms, which have been designed in consultation with Legal Services. These standards are developed and maintained by PCS and are the only ones approved for use at Metrolinx. The intent is to have documents whose form does not have to be reviewed in detail each time they are used. Changes are made by PCS to suit each Procurement event. Any special requirements or clauses can be added to a standard document, but the standard itself remains unaltered. On rare occasions, a special form of Procurement document must be constructed. This is done by PCS, with assistance from Legal Services and the Client. Changes to a standard format must be approved by PCS Management only, and where appropriate, in consultation with Legal Services.

STANDARD FORMATS

Expression of Interest
Request for Information
Prequalification
Request for Quotation - Short Form
Tender and Acceptance
Invitational Tender - Consulting Technical, Consulting Non-Technical and Services
Request to Qualify and Quote - Consulting and Other Services
Request For Proposal
Request For Proposal – Design/Build Construction
Construction - Stipulated Price
Construction - Unit Price
Low Dollar Value Construction (No Consultant)

STANDARD COMPETITIVE PROCUREMENT METHODS

VERBAL QUOTATIONS

Typically, PCS staff will contact Vendors by telephone in order to make inquiries regarding price, product availability, and to confirm specifications such as make, model and quantity. This process is used for purchases under $10,000 in value, and includes the use of corporate purchasing cards up to the maximum transaction limit allowed.

If the price is reasonable, based on PCS Staff experience and the face value of the Requisition, the Buyer supplies a PO number or Purchasing Card number to the Vendor and verbally confirms placement of the order with the Vendor. The Buyer asks if the Vendor wants a hard copy of the PO. If required, one is faxed or mailed, otherwise no hard copy PO is sent to the Vendor. Written, faxed, or email quotations from Vendors, if used,

are to be maintained on the Procurement files. The Client is not consulted prior to placing the order unless there are specific instructions to that effect on the Requisition or the Buyer is in doubt as to the appropriateness of the Vendor's product. If the Client has received verbal quotations, those quotations must be detailed in the subsequent Requisition that is forwarded to PCS for action. If written/faxed/email quotations are received by the Client, they must be forwarded to PCS and become part of the PO file. If the Client is using their Purchasing Card to conduct the Procurement transaction, the method of recording their transaction is on their Purchasing Card Log.

SIMPLIFIED TENDER PROCESS/REQUEST FOR QUOTATIONS ("RFQ")

The vendor is provided with a description of corporate requirements by PCS staff. A written quote is requested and a PCS approved RFQ form is issued to the Vendor. RFQ's are used when there is a well-defined specification or scope of work. RFQ's are typically used when purchasing goods. The RFQ process applies to the purchase of goods with a value between $10,000 and $24,999 and the purchase of services with a value between $10,000 and $49,999. RFQ's are sent out only to Metrolinx 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 firm providing the lowest price.

An informal Site Visit may be required prior to receiving quotations. The Junior Buyer/Buyer will evaluate the quotes and select the lowest Bid and best delivery. The Client does not authorize the Award unless otherwise noted on the Requisition. The Junior Buyer/Buyer notifies the successful Vendor verbally of the Award, creates a PO and supplies the Vendor with a PO number. A hard Copy PO is sent by Fax, or by mail, to the Vendor.

INVITATIONAL TENDERS – SERVICES ("IT")

A standard written Tender Document is issued by PCS. The Tender Document is returned and is opened by a Tender Opening Committee, at a specific time and date. The Purchasing Agent and/or PCS Management determine whether a formal Contract document is required or whether a Purchase Order (PO) 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 and applies to purchases with a value between $50,000 and $99,999. Awards are made to the qualified firm providing the lowest price.

Invitational Tenders with an Estimated Total Cost in excess of $99,999 are exceptional and must be approved by PCS Management.

The Buyer/Contract and Tendering Officer/Contract Specialist reviews the Specification submitted by the Client and confirms to the Client the Procurement method, the Closing Date, the requirement for a Bid deposit, performance and other bonding, insurances, Site

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Meetings, Vendors to be invited and produces a draft Procurement Document including the Client's Specification with edits as required. The Buyer/Contract Tendering Officer / Contract Specialist forwards copies of successive draft Procurement Documents to the Client for approval prior to issue.

INVITATIONAL TENDERS – CONSULTING ("ITC")

A standard written Tender Document is issued by PCS. The Tender Document is returned and is opened by a Tender Opening Committee, at a specific time and date. This process is utilized for the purchase of consulting services with a well-defined scope of work/specification and applies to purchases with a value between $1 and $99,999.

The Client department and PCS jointly determine the selection of a minimum of three (3) invited Vendors. The final selection of invited Vendors is signed-off by PCS Management. Awards are made to the qualified firm providing the lowest price.

The Buyer/Contract Tendering Officer/Contract Specialist reviews the Specification submitted by the Client and confirms with the Client the Closing Date, the requirement for insurance, site meetings and produces a draft Procurement Document, including the Client's Specification, with edits as required. The Buyer/Contract Tendering Officer/Contract Specialist forwards copies of successive draft Procurement Documents to the Client for approval prior to issue. Responsive Bids are forwarded to the Client for review and recommendation for Award.

REQUEST TO QUALIFY AND QUOTE – CONSULTING AND OTHER SERVICES ("RQQ")

A standard written Tender Document is issued by PCS. The completed Tender Document is returned and opened by a Tender Opening Committee at a specific time and date. This process is utilized for the purchase of consulting and other services with a well-defined scope of work/specification and where there is an identified need to evaluate the experience of an individual or team, independent of price.

If the estimated value of the Work is between $1 and $99,999, the Client department and PCS jointly determine the list of invited Vendors. The final selection of the invited Vendors (a minimum of three (3)) is signed-off by the Manager of PCS.

If the estimated value of the Work exceeds $99,999, the Tender advertisement/opportunity must be posted on MERX for a minimum of ten (10) business days.

The Buyer/Contract Tendering Officer/Contract Specialist reviews the Specification submitted by the Client and confirms with the Client the Closing Date, the requirement for insurance and site meetings and produces a draft Procurement Document, including the

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Client's Specification, with edits as required. Evaluation Criteria and associated weighting are jointly established by PCS and the Client. The Buyer/Contract Tendering Officer/Contract Specialist forwards copies of successive draft Procurement Documents to the Client for approval prior to issue.

An evaluation committee is established to assess, evaluate and score the submitted RQQ against the evaluation criteria stated in the original RQQ document. The Evaluation Committee typically requires a minimum of three members and normally includes at least one member from outside the requesting department to allow for an impartial and objective voice throughout the evaluation process. A PCS representative is also involved throughout the Evaluation process, and while not a scoring member of the Evaluation Committee, will provide oversight to the arrival of a consensus decision of the Evaluation Committee.

The RQQ is a two-envelope process, under which the Vendor'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 Vendors are considered for the project. Unopened price envelopes are returned to Vendors who do not achieve the threshold score for individual/team experience. Those Vendors are not considered further in the process. All Vendors 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 firm providing the lowest price.

This process is utilized for the purchase of consulting and other services with a well-defined scope of work/specification. Debriefings by PCS are available upon request.

PUBLIC TENDERS ("PT")

A standard written Tender Document is issued by PCS, returned and opened by a Tender Opening Committee at a specific time and date. The Tender is advertised on MERX. In some instances the Tender may also be advertised publicly in newspapers and in other appropriate publications. The name of the Bidder and the total Bid price (exclusive of applicable taxes) is read out at a public Tender Opening and the unverified results are posted on the originating electronic forum, for information purposes only. In the case where Bids are submitted electronically through MERX, there is no public Tender Opening.

The Tender advertisement/opportunity must be posted and available for a minimum of ten (10) business days. All exceptions to the Public Tendering process must be approved by PCS Management.

The Buyer/Contract and Tendering Officer/Contract Specialist reviews the Specification submitted by the Client and confirms to the Client the Procurement method, the Closing

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Date, the requirement for a Bid deposit, performance and other bonding, insurances, site meetings and produces a draft Procurement Document including the Client's Specification with edits as required. The Buyer/Contract and Tendering Officer/Contract Specialist forwards copies of successive draft Procurement Documents to the Client for approval prior to issue.

This process is utilized for the purchase of goods and/or services with a well-defined scope of work/specification having a value of $25,000 and over for goods and $100,000 and over for services. The award is made to the qualified firm providing the lowest price.

REQUEST FOR PROPOSALS (RFP)

A Request for Proposal is used for procurements where there is a well-defined need, but an undefined specification and where a variety of possible solutions may be available to address the corporate need. This process enables the organization 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. RFP's having a value up to $99,999 can be conducted by invitation to selected Vendors. At $100,000 and above, they must be publicly advertised. The award is made to the highest evaluated Bidder, sometimes subject to negotiation. Debriefings are available to unsuccessful proponents, upon request.

RFP's are opened in private, regardless of the estimated total cost.

The Buyer/Contract and Tendering Officer/Contract Specialist reviews the project details submitted by the Client and confirms to the Client the Procurement method, the Closing Date, the requirement for a Bid deposit, performance and other bonding, insurances, site meetings and produces a draft Procurement Document including the Client's description of the project, with edits as required. Evaluation criteria and associated weighting are jointly established by PCS and the Client. The Buyer/Contract and Tendering Officer/Contract Specialist forwards copies of successive draft Procurement Documents to the Client for approval prior to issue. An Evaluation Committee is established to score the submitted Proposals against the stated Evaluation Criteria. Awards are made to the highest evaluated Bidder, subject to negotiation.

The preparation of an RFP is more demanding and time consuming for both the Client and PCS due to the fact that each one presents unique challenges. In addition, the amount of effort and expense required by the Vendor community to respond to an RFP is much larger than with other price based Tendering methods. Consequently, to ensure maximum return on everyone's efforts, the evaluation of an RFP is the key component to this method of Procurement. An Evaluation Committee is established to evaluate and score the submitted RFP's against the Evaluation Criteria stated in the original RFP documents. The

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Evaluation Committee requires a minimum of three members and normally includes at least one member from outside the requesting department to allow for an impartial and objective voice throughout the evaluation process. Depending on the nature of the project, consideration should be given to include System Safety as part of the Evaluation Team. A PCS representative is also involved throughout the Evaluation process and, while not a scoring member of the Evaluation Committee, will provide oversight to the arrival of a consensus decision of the Evaluation Committee. PCS involvement at all stages of the process is meant to provide continuity and application of proper process and to ensure that the requirements of the RFP document and Canadian competitive Bidding law are properly observed.

RFP's are submitted in what is referred to as a "two-envelope" process. The Contractor's solution (Specifications) is submitted in a separate envelope and evaluated independent of any price evaluations. The use of a two-envelope system ensures that the Evaluation Committee conducts a full and unbiased (by price) evaluation of the specified evaluation criteria. This allows for the best opportunity to arrive at an independent evaluation of value while maintaining the integrity of the Competitive Bidding Process.

A minimum threshold score for the technical evaluation of the Proposals is established and ensures that only the most qualified submissions are considered for subsequent price and value consideration. Proposals which do not achieve the minimum threshold score for the technical evaluation are not considered further. This process removes the possibility of accepting a less than satisfactory solution based on the attractiveness of a low price alone. It also ensures the proprietary nature of the Vendor's pricing strategy, as the pricing portion of the Proposal is returned unopened to Vendors whose Proposal is evaluated as technically unsatisfactory. Proposals which achieve the minimum score, or higher, have their price envelope opened for evaluation and scoring. The most typical scenario has the technical aspects of the Proposal weighted at 75% of the overall score and the price component at 25%, however, this weighting can be altered on a case by case basis at the time of Proposal Document preparation with the approval of the Director, Administration and Contract Services in consultation with the Vice President and/or Project Manager responsible for the project. The weighting of the price component must not be lower than 10%.

Evaluations will either lead to a direct Contractual Agreement, generally based on the pricing and technical submission, but may include some minor changes or negotiations, **or**, they will lead to further negotiations with the proponent who achieved the highest evaluated proposal and who best meets the overall requirements and price range needs.

Debriefings are available when requested.

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DESIGN-BUILD REQUEST FOR PROPOSALS

The Design-Build Request for Proposals process results in a Contract under which the Vendor performs both the design and construction (build) of infrastructure based on a conceptual design and parameters set out by Metrolinx. Benefits of this type of Contract are that it reduces Contract modifications due to design errors, design omissions and changed conditions during the construction phase of the Contract.

The Design-Build methodology is intended to cover straightforward infrastructure like simple buildings and warehouses (cookie cutter designs). It is not suitable for custom jobs or where a high potential exists for outside influences (known or unknown) to negatively impact the Vendor's design, construction plan or schedule. The additional costs associated with such changes can be extreme in a Design-Build Contract. Design-Build Contracts are not suitable for custom jobs and should not be considered solely as a "fast-track" method for project work.

Due to the amount of time, effort and expense involved in submitting a proposal for Design-Build construction, Design-Builders shall be pre-qualified for a specific project prior to the Design-Build Request for Proposals being issued. The number of Design-Builders pre-qualified for a particular project should not exceed four, as experienced and qualified Design-Builders will not incur the time, effort and expense in preparing a proposal for Design-Build construction unless there is a reasonable opportunity for success.

The Design-Build Request for Proposal shall use Metrolinx's standard Design-Build Construction Tender Document and shall follow Metrolinx's procedures for a two envelope Request for Proposals.

VENDOR OF RECORD ("VOR")

A Vendor of Record arrangement is a procurement arrangement, established through an RFP process, that authorizes one or more Vendors to offer specific goods or services to either Metrolinx or the Province (including its agencies) for a defined time period, upon the terms and conditions as set out in a particular VOR Agreement. Depending on the estimated value of the good or service to be acquired under the VOR arrangement, there may be a requirement for a second stage selection process. If the estimated Procurement value is below $25,000 Metrolinx may use the VOR arrangement to select any one VOR Vendor for the specific project/assignment. In the case of Contracts with values exceeding $25,000, at least three Vendors will be asked to Bid.

For Contracts with values between $250,000 and $750,000, at least five Vendors will be asked to Bid. The maximum value applicable to each Procurement made under a VOR contract is specific to that VOR.

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PHASED CONTRACTS

Occasionally, a request for Procurement action will come forward for a project that can only be completed in phases, whereby the scope of Work for the entire project cannot be fully realized until the completion of the prior phase(s) of the project. Subsequently, the ability to price the next phase of the Work is equally inhibited.

Contracts must not be entered into whereby the phasing of a project would require the Contract to be amended and the scope of Work and pricing is developed only immediately prior to each phase of the Work. Unless each phase of a multi-phased project can be priced in the initial Procurement, the remaining phase(s) must be Tendered competitively. Similarly, the successful Vendor for the initial Work on a phased project cannot be given an unfair advantage in Bidding on the remaining Work. Any documentation arising from earlier phase(s) of a particular project must be made available to all potential Bidders for the subsequent phase(s) of the project.

Exceptions to this practice must meet the requirements for Restricted Competition and Non-Competitive Procurements.

RESTRICTED COMPETITION AND NON-COMPETITIVE PROCUREMENTS

Public Tenders are generally utilized if the estimated cost of a project exceeds $24,999 for goods and $99,999 for services. Requests for Invitational Tenders having an estimated total cost in excess of these amounts are considered to be restricted competition Procurements, because they invite less than the total known number of Vendors available to Bid on a particular Procurement event. Restricted competitions require the prior approval of PCS Management. 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 PCS Management in the following instances:

- An Emergency purchase is required, (as subsequently defined in this procedure document);
- Where undertaking a competitive Procurement process would reasonably be expected to compromise Metrolinx's confidentiality, cause unacceptable economic disruption, unreasonably delay progress on projects under third party control, and/or where undertaking a competitive Procurement process would otherwise be contrary to the public interest.
- 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;
- The purchase of goods under exceptionally advantageous circumstances to Metrolinx, for example in the case of a bankruptcy or receivership;
- Where an attempt to procure the required goods and services 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 and/or services be undertaken using a method other than Single Source Procurement method;
- Procurement of goods and/or services either directly or jointly with another level of government or Ontario Government Ministry or agency or municipal transit authority;
- Specification with a restrictive feature or functional needs that can only be met by one source;
- Where a copyright or patent restricts ability to undertaken competitive Procurement;
- Compatibility with existing equipment or compliance with corporate quality and/or pre-established standards;
- Vendor qualifications and/or pre-qualifications;
- Corporately pre-approved Single Sourcing and Corporate Standards;
- Service Contracts with original manufacturers, or their prime agents, which, for all intents and purposes, can be considered extended warranty Contracts;
- Testing or development of new products or services;
- Product restrictions and standards placed upon Metrolinx by government related agencies;
- Either Executive Committee of the Board or Board direction in relation to a time constraint;

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- Where a Tender, Contract or Agreement contemplates or specifies a single or limited number of manufacturers or suppliers of products and where no alternative or approved equal is allowed under the contract.

Note: 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 and/or non-competitive Single Source Procurement method. The final arbiter of this process will be PCS Management, except in case of a CEO directive/instruction or an Executive Committee or Board directive/instruction, where such directive/instruction will be followed by PCS. The Corporation may choose to issue a Advanced Contract Award Notice (ACAN) in instances above where sole sourcing is permitted as a means of ensuring that suppliers have an opportunity to respond in advance of the Corporation's decision to sole source.

RESTRICTED COMPETITION PROCUREMENT METHODS

RESTRICTED SOURCE

The Client submits, with their authorized Requisition, a Restricted Source/Single Source Justification form. On the form, it states that pricing for the required goods or services is to be obtained only from the Vendors named, with no additional sourcing to take place, even if other sources/Vendors or products are known. A minimum of two (2) Vendors must be invited to Bid in any restricted source competition. The rationale used for the restricted competition must be approved by PCS Management and must have the prior written approval by the Control Approval level for the value of the Procurement. A written justification for Restricted Source Procurements below $10,000 is not required.

SINGLE SOURCE

The Client submits, with their authorized Requisition, a Restricted Source/Single Source Justification form. On the form, it states that pricing for the required goods or services is to be obtained only from one source only, with no additional sourcing to take place, even if other sources/Vendors or products are known. (e.g. OEM part, warranty, patent, copyright, proprietary knowledge, singular expertise, Corporate Standard) The rationale used for the Single Source competition must be approved by PCS Management and must have the prior written approval by the Control Approval level for the value of the Procurement. A justification for Single Source Procurements below $10,000 is not required.

CORPORATE STANDARD

The Client Group may nominate a particular commodity or service as a Corporate Standard, which is in essence a long standing Single Source Procurement. This is

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acceptable practice where there is a need for high degree of continuity and or conformity such as with furniture, radios, computers, software systems, operating equipment and where matters of corporate image are concerned. Corporate Standards should be used where it is not feasible to conduct a competitive Procurement and issue a long-term Contract because of the unpredictability of future requirements, although all Corporate Standards are subject to annual review by the initiating Client group. Designation as a Corporate Standard requires annual Metrolinx Executive Team approval. Individual Procurements of items designated as Corporate Standards require normal levels of approval prior to Award. Restricted Competition Procurement practices are to be used for Corporate Standard Procurement whenever possible.

BLANKET AGREEMENTS AND TERM CONTRACTS

Often referred to as a Standing Offer, a Blanket Agreement, either in the form of a PO or a Contract, is an Agreement with a Vendor to provide goods and/or services at pre-arranged prices, under set terms and conditions, when and if required, for a set period of time. No Contract exists until Metrolinx issues an order or "release" against the Blanket Agreement. There is no obligation by Metrolinx to purchase at any time. The provincial Ministry of Government Services (MGS) conducts competitive Tender processes for multi-year Agreements for various goods and services (e.g. office supplies/photocopiers, etc.). As an Agency of the Provincial Government, Metrolinx utilizes these Agreements to the highest degree possible rather than conduct their own Tenders for similar products.

Blanket Agreements should be Awarded as a result of a competitive process conducted by PCS, however, they can be Awarded on a single source basis to multiple companies offering the same goods and services, as a tool of convenience for Metrolinx's Clients for repetitive incidental orders, with a stipulation that individual orders do not exceed $5,000, which mirrors the maximum individual spending limit on the Corporate Purchasing Card of the PCS Buyer. Blanket Agreements in these situations should only be set up if the Vendors do not accept the Corporate Purchasing Card and/or there are a limited number of Vendors offering the required goods/services in a particular geographical area. With the advent of the Purchasing Card, the need for these types of Agreements is diminishing and is being reviewed on an ongoing basis. Blanket Agreements are usually considered when a need is anticipated for a range of goods and/or services for a specific purpose, but the actual demand is not known at the outset and delivery is to be made when a requirement arises.

Term Contracts are similar in nature, however, they are set up to address situations where one or more departments repeatedly order the same goods or services on a regular basis and a standard period fee applies, such as monthly pest control services, supply of door mats, etc.

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The process of setting up a Blanket Agreement or Term Contract is subject to the normal Procurement procedures set out in this document. Blanket Agreements and Term Contracts are usually for a term of more than one year. Any Client wishing to release from a Blanket Agreement places the order verbally or in person, directly with the Vendor. The Blanket Agreement will list the accounting codes and maximum expenditure limits assigned to each Client. The Client must code and authorize any resulting invoice from an order and forward it to Accounts Payable for payment action and record the action in the PCS^3 system. PCS may create or extend a corporate Blanket Agreement without being requested to do so if there is sufficient repeat demand or usage of one Vendor for Low Dollar Value purchases.

EMERGENCY PURCHASES

An Emergency, for the purposes of Policy and this procedures document, is defined as a situation where the immediate purchase of goods and/or services is essential to prevent serious delays, excessive costs, further damage, or is essential to restore minimum service or to restore safety;

The real life demands of an operational environment produce situations that require a Client to make an immediate Procurement of goods and/or services on an Emergency basis without using the services of PCS. If the Emergency occurs during normal office hours PCS Management must be contacted prior to the Procurement and requested to provide an Emergency PO number. If the Emergency occurs outside normal office hours, PCS must be notified not later than the following business day via telephone, voice mail message, e-mail or fax of the Vendor's name, goods/services procured, estimated value of the purchase and the reason for the Emergency. In both cases, a Requisition number is generated by PCS on behalf of the Client and an associated number is reserved in PCS^3. The Purchase Order number is to be provided verbally to the Vendor as authorization to proceed, or if the Emergency Work is already completed, for billing purposes.

Emergency purchases are made with a Vendor on a non-competitive single source basis.

An emergency Procurement must be restricted to remedying the immediate situation only, and is not be used as a tool for convenience.

An Emergency purchase Requisition will be completed by the Client group upon completion of the Work and receipt of an invoice. Appropriate Approval Authorization for the expenditure will be obtained through PCS^3 and must be reported in accordance with corporate Approval Authorization Policy.

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NON-COMPETITIVE NEGOTIATIONS

Negotiated Contracts are Contracts or PO's awarded to Vendor(s), without use of any of the formal written competitive Procurement processes described elsewhere in this procedures document. Negotiated Contracts are the least favoured practice because it is difficult to demonstrate that the Vendor community had equal access to the business opportunity and that the best price was achieved. Verbal Quotes for low value Procurements, as described in this procedures document, are Negotiated Contracts. Higher value Procurements that are negotiated must be carefully considered.

There are nonetheless circumstances where direct negotiation with one or more parties is the right method. These circumstances are:

- Due to market conditions, goods are in short supply;
- Only one Vendor is able to supply the goods /services;
- A competitive process is determined to have failed;
- Vendors refuse to engage in a "Tendering process";
- Dealing with intangible matters, e.g. intellectual property;
- Political or executive direction is given;
- The matter is highly confidential or has legal implications;
- Where there is great flexibility on the Client's part as to what is required and the objective is developed during negotiation;
- There are severe time constraints;
- The extension of an existing Contract would prove more cost effective and beneficial;
- A Single Source is being recommended because it is more cost effective or beneficial;
- It is the normal Government/industry practice to Negotiate.

Approval to begin a Negotiation must be received from PCS Management and must meet the criteria for Single Source Procurements. Staff are directed to Section PCS-0201-04 of this procedures document for prior approval levels required for Negotiated Consultant Services Agreements. Typically, contract Negotiations take a team based approach; the team being comprised of senior staff with reporting directly to the Metrolinx Executive Team

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and the Board, as required. Strategies for Negotiation will be developed on a case by case basis by the Negotiation team, ensuring a position of strength and best value are maintained and that Specifications and terms and conditions, as if in a competitive situation, are maintained, as closely as possible. Any deviation from the standard terms and conditions, including inclusions/exclusions, warranty, indemnification, surety, etc., require the approval of Legal Services, as appropriate.

UNSOLICITED PROPOSALS

An Unsolicited Proposal is a written document that contains specific information that is designed to be an offer to Metrolinx and typically represents the supply of goods and/or services which Metrolinx is not currently seeking. The offer contains specific solutions at a specific price, addresses a real or perceived problem, and/or offers a value added solution. This type of proposal does not form part of a formal competitive Tendering process.

If the goods and/or services being offered are typically handled through a formal Tender process, the proponent will be advised that they will have to follow the standard process and wait for the formal Tender to be issued in the appropriate time frame.

Unsolicited Proposals, to whomever submitted, shall be forwarded to the Manager Procurement – Operations & Administration. After review by the Manager Procurement – Operations & Administration, the Proposals will then be forwarded to the appropriate Cost Centre Manager, Director and/or Vice-President for which the Proposal is intended to have an impact.

After an assessment of the overall business case, the Cost Centre Manager, Director and/or Vice-President may, at his/her discretion, determine if the Proposal is of sufficient interest to Metrolinx to be evaluated for its merit, or be declined. If the Proposal is worthy of evaluation, any merit will be assessed through the application of Metrolinx's process for evaluating RFP's, which will be facilitated and processed through PCS. A recommendation to proceed or not to proceed will be brought forward to the Metrolinx Executive Team. If the decision is not to proceed, the Manager Procurement – Operations & Administration will communicate the decision to the submitter.

It is understood that external expertise may be required to assist in the evaluation of a Proposal. This expertise could include assisting in a value for money analysis or a review of the financial stability of the submitter. The cost of such external expertise will be covered by the evaluating department.

Metrolinx may accept unsolicited proposals in cases where Metrolinx's interests would not be better served by calling for competitive proposals for the project. Consideration must first be given to the proprietary nature, if any, of a particular unsolicited proposal.

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Project approval by the Metrolinx Executive Team and process approval by the Manager Procurement – Operations & Administration are subject to Single Source justification, which must be obtained before entering into any such Agreement. All such Agreements must be fully documented; funding must be approved through the evaluating department's approved budget. All Agreements will take the form of a formal Metrolinx Contract, with standard terms and conditions, whether it is a formal Contract, letter Agreement, lease, etc. The term of any Agreement reached as the result of an unsolicited proposal can be considered a "demonstration period" of a few weeks/months or a longer term up to a maximum of five (5) years. This term will be determined on a case-by-case basis by the evaluating department and is also subject to approval by the Metrolinx Executive Team. Any subsequent purchases of these services after the expiry of the term of cancellation of the Contract, whichever occurs first, must be through competitive Tendering.

Metrolinx reserves the right to not accept any/all unsolicited proposals. If an unaccepted unsolicited proposal contains concepts or technical detail that may have some merit and is not considered proprietary, the Manager Procurement – Operations & Administration should inform the submitter that these elements may be used in a future Tender/RFP issued by Metrolinx and that they will be welcome to Bid at that time.

TEMPORARY HELP SERVICES

Although PCS will competitively Tender the overall supply of temporary help services, all individual requests for temporary help must be made through the Human Resources office.

LEGAL SERVICES

Legal fees and other professional services related to litigation or legal matters, are Contractual arrangements that are specifically exempt from application of Procurement Policy. Metrolinx will secure its own legal services, in a manner which is cost effective. Only Legal Counsel at Metrolinx can engage external legal services on behalf of Metrolinx. A Purchase Order is not required for these services. A letter of engagement is typical, and is all that will be required.

SPECIAL PROCUREMENTS

BUS PARTS INVENTORY PROCUREMENT

The Procurement of spare parts and materials for the bus fleet is a special activity due to its time sensitive nature and its interaction with the inventory control system.

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The main function of the Buyer position in the Bus Fleet Maintenance Division is to purchase repeat orders of materials and replacement inventory parts for maintenance of the bus fleet. This Buyer has the authority to use commercial methods of purchasing and/or purchase inventoried parts and materials, on a Single Source basis, up to a maximum value of $10,000 per Procurement. The Bus Fleet Maintenance Buyer may use the RFQ/short form Tender Documents to conduct Competitive Bidding Processes which have an individual Award value up to $25,000. All other Competitive Bidding Processes will be conducted by PCS, unless specific approval is given to the Buyer from PCS Management to conduct an inventory or related process on their own. This Buyer is also authorized to issue PO's for automotive repairs to buses and support vehicles and for support vehicle aftermarket retrofitting, up to a maximum value of $99,999 per Procurement. These Procurements will be conducted in accordance with the PCS Policy.

The Purchasing Agent or Manager PCS, will periodically review the Procurement activities of the Buyer, Bus Fleet Maintenance, as deemed appropriate, and determine if competitive Procurements should be conducted by PCS for any goods and/or services.

TRANSIT VEHICLE PROCUREMENT (CANADIAN CONTENT)

Metrolinx is required to follow the Ministry of Transportation's Canadian Content for Transit Vehicle Procurement Policy (September 2008).

On March 20, 2008, the Government of Ontario announced that all transit vehicles procured with provincial funding must have at least 25 per cent Canadian content. The Canadian content policy is a mandatory requirement for provincial funding of transit vehicles. The policy is designed to promote job retention and creation, foster economic development, protect skilled manufacturing jobs and continue to promote a fair, open and transparent Procurement process that ensures value for taxpayers' dollars.

CALCULATING CANADIAN CONTENT

Under the Canadian content policy. the overall Canadian content of a transit vehicle is calculated as a percentage of the total final costs to the manufacturer, less any applicable taxes.

Metrolinx will only consider, as Canadian content, expenditures for eligible costs in respect of transit vehicles for the items listed below and which are directly related to transit vehicles manufacturing process, distribution and acquisition:

- Labour;
- Subcomponents and components;

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- Project management;
- Engineering;
- Manuals;
- Special tools;
- Test equipment;
- Freight; and
- Warranty.

In addition, the percentage of Canadian content for expenditures (see above list of items for which expenditures may be considered eligible) related to transit vehicles, components or subcomponents will be calculated as follows:

1. 100% Canadian for a component that has undergone an irreversible manufacturing process in Canada.
2. 100% Canadian for a component that contains 60% or more Canadian content through any combination of expenditures that may be considered eligible, as described above, if such expenditures are made in Canada.
3. The exact Canadian percentage for a component that contains between 0% and 59% Canadian content through any combination of expenditures that may be considered eligible, as described above, if such expenditures are made in Canada.
4. Where a component or subcomponent is procured from a Canadian supplier, a minimum Canadian content of 15% will be assumed, without the requirement of certifying the percentage of Canadian content of the component or subcomponent in a manufacturer's declaration of compliance with the Canadian content policy. Simply handling the component or subcomponent is not sufficient to qualify. The Canadian supplier must provide added value through the procuring. manufacturing or-after sales support of the component or subcomponent.

CANADIAN CONTENT DECLARATION & CONSENT FORM

Metrolinx must ensure that each manufacturer demonstrates how it will comply with the Canadian content policy requirements, and obtain a written declaration from the manufacturer:

- Certifying the percentage of Canadian content of the transit vehicles described in the manufacturer's submission, calculated in accordance with this policy; and

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- Providing the manufacturer's consent to the disclosure, verification and audit of the information forming the basis of the declaration, both before the contract award and, for the successful manufacturer, during and after the term of the contract.

In addition, Metrolinx must ensure that manufacturers provide such progress reports, during the term of the contract, as they or the Ministry or the Auditor General, or any of their designates, may require , and written declarations of ongoing compliance with the 25% Canadian content requirement.

Should it appear at any time that a manufacturer might not meet the 25% Canadian content level, Metrolinx may require the manufacturer to submit a revised plan indicating how it will achieve compliance.

Metrolinx must ensure that the successful manufacturer demonstrates, upon final delivery of the transit vehicle(s), how it complied with the Canadian content policy requirement, and obtain a written declaration from the manufacturer, certifying the percentage of Canadian content of the transit vehicles, calculated in accordance with this policy.

EXEMPTIONS

In consideration of the transit operator's efforts to comply with the *Accessibility for Ontarians with Disabilities Act, 2005*, and to procure specific transit vehicles to meet their individual strategic requirements to improve transit services, the following four vehicle types will be exempted from the 25% Canadian content requirement:

- specialized transit buses;
- conventional transit buses under 40 feet in length;
- double decker buses; and
- passenger locomotives.

Despite the above and to encourage Canadian content for the exempted transit vehicles listed above, Metrolinx will apply a 5% price preference to the price for the submission with the highest percentage of Canadian content. In practice, this will result in the submission with the highest percentage of Canadian content being evaluated as if the price submitted in the manufacturer's offer were 5% lower than that which was actually submitted. The 5% price preference will be applied for evaluation purposes only, and will not represent an effective reduction in the price submitted by the manufacturer.

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WAIVERS

In the event that no Canadian content compliant submissions are received as part of a fair, open and transparent procurement process for non-exempted vehicles, Metrolinx may formally request a waiver to comply with the Canadian policy from the Ministry by providing:

- a letter from the Chief Administrative Officer or Chief Executive Office to the Deputy Minister of Transportation supporting the request for a waiver;
- a Board resolution from Metrolinx requesting a waiver; and
- a detailed report outlining the procurement process that was used.

Upon receipt of the waiver request, the Ministry will have the above-noted documents reviewed by a Ministry-appointed fairness monitor to determine whether a fair, open and transparent procurement process was used. If the procurement process was determined to be fair, open and transparent, the Ministry may waive the requirement for compliance with the Canadian content policy for that specific procurement. The Ministry intends to communicate its decision in writing and within 20 business days upon receipt of the fairness monitor's determination on whether it will provide a waiver. If the Ministry decides that the procurement process is not fair, open and transparent, Metrolinx will have to initiate a new procurement process.

Where the Ministry issues a waiver, Metrolinx will apply a 5% price preference to the price for the submission with the highest percentage of Canadian content. In practice, this will result in the submission with the highest percentage of Canadian content being evaluated as if the price submitted in the manufacturer's submission was 5% lower than actually submitted. The 5% price preference will be applied for evaluation purposes only, and will not represent an effective reduction in the price submitted by the manufacturer.

SUPPORT VEHICLE PROCUREMENT

The Procurement of support vehicles is considered a unique purchasing event due to the nature of the industry, the small volume of vehicles being purchased annually by Metrolinx, the inability of car dealerships to deal with formal Tendering processes and a historical inability of dealers to supply vehicles as Tendered and by the scheduled delivery dates.

The Buyer will perform the following tasks:

- Review Specifications against manufacturers web based information to determine which models of vehicles are appropriate;
- Prepare an eligible list of vehicles (make, model, options, etc.);

- Conduct a web based search of all major manufacturers for availability of vehicles in the GTA;
- Contact all identified dealers to confirm vehicle availability and discount off of the list price.
- Visit dealer(s) who confirmed availability and who provided the lowest list price;
- Confirm price concession amounts (discounts) offered by the vehicle manufacturer and retailer and negotiate final prices.
- Obtain appropriate internal approvals for each Award;
- Provide down payment to dealer, if required;
- Produce Purchase Order(s) and organize delivery to Bus Fleet Maintenance.

SUPPORT VEHICLES – ENVIRONMENTAL CONSIDERATIONS

The environmental impact of Metrolinx's support fleet Procurements shall be considered each time a new or replacement support fleet vehicle is required.

The PCS office has established the following to govern the purchase of support fleet vehicles, with a focus on increasing fuel efficiency, lowering emissions and controlling costs. This procedure intends to establish new vehicle purchase and replacement criteria, which limits the use of Sport Utility Vehicles (SUV's) to work assignments where they are essential, to encourage the purchase of Alternative Fuel Vehicles (AFV's), Hybrid technology (gasoline/electric) and Electric vehicles and to increase the use of these vehicles until they represent a minimum of 25% of Metrolinx's on road support vehicle fleet. It is the goal of this procedure to realize the environmental benefits of fewer vehicle emissions, costs savings through fuel conservation and to protect public health and reduce environmental impacts through the Procurement of environmentally responsible support fleet vehicles.

Office's requiring a support vehicle will be required to submit to the Bus Fleet Maintenance office Specifications for the style, type and size of vehicle they require. The Bus Fleet Maintenance office will review the requirements and forward the approved requisition to the PCS office. The PCS office will review the vehicle Specifications and the class of vehicle required.

When reviewing support fleet vehicle Specifications and class, the following factors will be considered:

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- Intended use of vehicle
- Fuel Economy rating
- Use of alternative fuel technology, including diesel, gas-electric hybrid, hydrogen and fuel cell

All support vehicles purchased for use by Metrolinx shall be:

- Consistent with PCS and Bus Fleet Maintenance policies to procure fleet vehicles with the lowest overall environmental impact
- The most fuel-efficient and lowest emissions within vehicle class/type
- Commercially available
- Practical
- Reasonably cost-competitive for the class/type of vehicles needed for specific assignments

The acquisition of Alternative Fuel Vehicles or Hybrid fleet vehicles will be strongly encouraged.

If more than one vehicle model meets the criteria above or if fuel economy ratings have not been established for the candidate vehicles based on their Gross Vehicle Weight (GVWR) rating, preference will be given to the make and model that is certified with the most stringent standards in the category. Currently, in order of Most stringent to least, these emissions categories are:

- ZEV (Zero Emission Vehicles)
- AT PZEV (Advanced Technology Partial Zero Emission Vehicles)
- PZEV (Partial Zero Emission Vehicles)
- SULEV (Super Ultra Low Emission Vehicles)
- ULEV (Ultra Low Emission Vehicles)
- LEV (Low Emission Vehicles)

Departments that request other than a standard support fleet vehicle, mid-sized or smaller sedan, station wagon or mini van, must provide justification, from the Director of the requesting Department, to be approved by the Director Bus Services, or designate.

Sport Utility Vehicles (SUV's), unless compact gas/electric hybrid, will not be purchased unless fully justified, based on a verified work assignment. Justifiable work assignments include rough terrain/off road travel, high passenger/heavy cargo requirements, and/or trailer/towing requirements on a regular basis.

Exceptions to this procedure may be approved on a case-by-case basis, based on the intended use or application of the vehicle, vehicle Specifications and/or overriding cost

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considerations. Fuel economy and vehicle mission ratings will be taken into account when selecting SUV type vehicles for purchase.

SUPPORT VEHICLES – AFTERMARKET RETROFITTING

On occasion, Metrolinx's Bus Fleet Maintenance group will procure aftermarket retrofits on specific support vehicles in order to make the vehicles ready for their intended end use. Examples include high rail packages, hydraulic and electromechanical fittings not typically supplied at the dealership level. Prior to these retrofits being completed, Bus Fleet Maintenance must engage System Safety to perform a hazard analysis of each retrofit as it applies to the specific support vehicle, in order to ensure that the equipment being installed is suitable and can be safely operated on the intended support vehicle. Written approval must be obtained from System Safety for every retrofit prior to the work being performed.

Please refer to System Safety Program Plan, Corporate Safety Procedures (SS-0501-06).

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SOURCE LIST

PCS will maintain a registry of all Vendors who have been issued a Metrolinx PO or Contract, or have expressed an interest in Bidding. This Registry will be used primarily as a reference for identifying sources of goods and services and Vendors who may be invited to take part in a Procurement. Inclusion in the registry does not mean the Vendor will automatically be invited to Bid. The selection of Vendors to be invited is a matter of judgement of the Client and PCS Management. See BIDDERS REGISTRY.

The Source list will be purged of Vendors with whom Metrolinx has not done business for a period of 2 years. Vendors must supply a written request to be placed on the Source List. The request must contain corporate information, including company name and address, type of goods or services offered and any other relevant information. Each request will be distributed by PCS to selected branches within Metrolinx, for information purposes, comment, and as applicable, recommendation for being added to the Source List.

BIDDERS REGISTRY

PCS will create a Bidders Registry for particular Procurements, which will be used to record the names of Vendors who have specifically asked to Bid on a specific Procurement or type of Procurement. This Registry will be created only at the point at which an official Procurement file number e.g. Tender/RFP/RFQ number is assigned to the Procurement.

SELECTION OF VENDORS INVITED TO BID

The objective is to acquire best value for specified work through free competition. The process of competition requires administrative labour to support it and more competition results in more administrative cost. Administrative cost should not exceed the potential savings realized through extensive competition versus limited competition, therefore the number of Vendors invited to compete on any given Procurement is determined by face value of the Procurement. There are situations where a large number of Vendors express interest in a low face value Procurement. In these cases, the Buyer will select Vendors to be invited, in conjunction with the Client, based on which Vendors are known to have completed work most successfully in recent Procurements, as well as those who have expressed an interest in competing. In all cases up to the Public Tender level, the Buyer's experience will determine if more than the minimum number of Vendor's need to be invited to achieve adequate competition.

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MINIMUM NUMBER OF VENDORS INVITED TO BID

The minimum number of invited Vendors for all competitive Bids will be as follows:

- Goods and services valued up to $9,999 (other than Consulting Services) - 1 Vendor
- Goods valued between $10,000 to $24,999 - 2 Vendors
- Goods valued at over $24,999 - Public Tender
- Services valued between $10,000 to $49,999 (other than Consulting Services) - 2 Vendors
- Services valued between $50,000 to $99,999 (other than Consulting Services) - 3 Vendors
- Services valued at over $99,999 - Public Tender
- Consulting Services valued up to $99,999 - 3 Vendors
- Consulting Services valued at over $99,999 - Public Tender

SOURCING OUTSIDE ONTARIO / CANADA

Unless dictated by applicable legislation, this policy does not restrict procurements from vendors operating outside the Province of Ontario, or Canada.

This procurement policy is intended to ensure geographic neutrality in the acquisition of goods and services in accordance with the *Discriminatory Business Practices Act*.

Metrolinx is subject to Ontario's Trade Agreements and must conduct its procurements in a prescribed manner in order to adhere to these agreements. The Trade Agreements apply to the acquisition of goods valued at or over $25,000 and services and construction valued at or over $100,000.

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PUBLIC ADVERTISING OF PROCUREMENTS

All Procurements whose estimated cost is $25,000 or greater for goods, or $100,000 or greater for services, including applicable taxes, must be advertised publicly. The Tender is advertised on the electronic Tendering system, MERX, and when required on a case by case basis as deemed necessary by PCS, publicly in newspapers and other appropriate publications. Electronic media may be used where it is an accepted practice by the Vendor community in question. Advertising beyond what is described above will only be considered if the complexity of the goods/services required limits the number of known Vendors who may be able to Bid, or the scope of the project is large enough to attract national/international Vendors/consortia to the process. The cost of advertising is a significant factor in determining duration of advertising and number of venues. One-day ads in one venue are the norm. Projects that require large, sophisticated corporations to respond are usually advertised in the National edition, Business section of the Toronto Globe & Mail

The Buyer/Contract Tendering Officer/Contract Specialist may determine that individual notification to the main players in a Vendor community is needed in addition to a public advertisement, to ensure a successful competition. This may be done by faxing or mailing a copy of the advertisement to Vendors on the Bidders Registry for that project.

EXPRESSIONS OF INTEREST ("EOI") / REQUESTS FOR INFORMATION ("RFI")

An Expression of Interest or Request for Information will be used to investigate, in general terms, the ability or interest of the market to fulfill the required corporate need for goods and/or services. These techniques may also be used in order to create a short list of Vendors interested in submitting a Bid in a future competitive Bidding process.

PRE-QUALIFICATIONS ("SQ")

Through this process the organization is able to examine the capabilities of the Vendor(s) and/or the products produced and services provided by Vendors and PCS is able to determine which Vendors and/or products/services specifically meet corporate requirements. In most cases a competitive Procurement process is subsequently undertaken, involving all of the Vendors who were deemed to be qualified through the pre-qualification process.

The Pre-Qualification method is used when it is important to have absolute certainty about a Vendor's capability or product. It assists in mitigating the risk of Awarding a contract to an unqualified Vendor and/or having to defend not Awarding a contract to a low Bidder who is not qualified.

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Vendors are invited to participate through a public advertisement. The advertisement provides a brief description of the services/product requirement, states whether or not there will be a subsequent Procurement for those who qualify, identifies a closing date and states how interested parties can acquire the Pre-Qualification documents. No pricing information can be requested or considered although the financial history and status of Vendors can be examined. Such information must be treated as confidential unless it is an annual report of a publicly traded company.

A Pre-Qualification is sometimes used to determine if there are qualified Vendors in a particular field. Pre-Qualifications are assigned an official Procurement number with a "SQ" prefix.

The Pre-Qualification process is conducted by PCS only and has the same level of formality and rigour as an RFP because it determines who will be allowed to compete and those who will not. Evaluation criteria must be clearly stated in the documents.

An Evaluation Committee is established to evaluate and score the submitted Pre-Qualification submissions against the Evaluation Criteria stated in the original SQ document. The Evaluation Committee requires a minimum of three members from the requesting department. A PCS representative is also involved throughout the Evaluation process and while not a scoring member of the Evaluation Committee, will provide oversight to the arrival of a consensus decision of the Evaluation Committee.

The names of Vendors who respond to a Pre-Qualification process are not released. Results of those who Pre-Qualified are made public. The names of those who did not Pre-Qualify are not released.

The number of firms able to Pre-Qualify for a particular project can be left open, or restricted to a maximum number, depending on the nature of the work. Restricting the number of Pre-Qualified firms who can compete for the project is most typical for large complex projects where firms are less likely to accept the time lost and expense required to put together a formal Bid package if the field of competition is too wide. As such, Metrolinx may lose Bids from some of the most qualified firms. Limiting the number of Pre-Qualified firms is an accepted practice in this industry.

PRODUCT TESTING

When new products enter the marketplace, or when old technology is in need of replacement/updating, it is sometimes necessary to test a product "in service" to ensure that its application is suitable for Metrolinx's needs, prior to embarking on a full scale replacement program or new installation.

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Care must be taken to ensure that testing of a particular product does not interfere with the possibility of competitively Tendering for that product, or type of product, at a future date. Consideration must be given to whether that product is "generic" and can be supplied, as tested by any number of Vendors, or whether the technology is proprietary to each Vendor, in which case testing of one product versus another similar one would not yield useful results for the purposes of a future competitive Procurement.

It may be necessary to test multiple products, from different Vendors, at the same time. This would require that the Vendor community be notified of an opportunity for their product to be tested, with either an "Expression of Interest" or full-scale "Pre-qualification".

Before any products are tested, the Client group is required to discuss the testing with PCS Management, to jointly determine how the testing will be conducted, how it will be evaluated and how/when it may be procured at some future date.

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PROCUREMENT OF CONSULTING SERVICES

Consulting Services refers to the provision of expertise or strategic advice that is presented for consideration and decision-making such as:

- Management consulting (i.e. helping Metrolinx improve their 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
- Communication 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. The procurement of Consulting Services will be considered only when it is necessary to supplement the internal resources of Metrolinx.

A competitive process is required for the acquisition of all Consulting Services, irrespective of the value of the Contract. Vendor of Record (VOR) processes which have been established through a competitive process can be used. The Invitational Competitive Procurement method can also be used for services valued at under $100,000.

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The objective evaluation of consultants' capabilities to perform the work will be the method used to determine who is invited to bid.

In addition, Metrolinx 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 Provincial Government's Travel, Meal and Hospitality Expenses Directive.

PROCEDURE

- The Client obtains approval for funds from the appropriate authority for operating expenses and for capital expenses. Funds are based on estimates.
- Client prepares Specification/terms of reference/scope of work documents.
- PCS, in consultation with the Client determines appropriate standard Procurement method for Consultant Assignments (refer to PCS-0201-02):
  - Request to Qualify and Quote (RQQ)
  - Invitational Tender (Consulting) (ITC)
  - Request For Proposal (RFP)
  - Negotiated Contract (NC)
  - Single Source
- For RQQ and RFP processes, an Evaluation Committee is appointed by the Client comprised of a minimum of three (3) persons, one of who will be the project manager. The Evaluation Committee will prepare evaluation criteria in consultation with PCS staff, compile list of recommended Consultants for procurements under $100,000 in value, evaluate responses and recommend Contract Award.
- The Procurement is conducted.
- Recommendation for Award is completed by the Client.

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PRE-QUALIFICATION OF CONSULTANTS

When conducting a formal Pre-qualification process for Consulting Services, the maximum number of proponents who can be considered qualified to Bid on/do the work is restricted to four. (Refer to PCS-0201-03).

This number can only be exceeded with appropriate justification and sign-off by PCS Management.

FORM OF CONTRACT

Purchase Orders may be used for Consulting Services costing less than $100,000 where the Work is not complex, the term is short and the inherent risk is low. Metrolinx's standard Consultant Assignment form of Contract will be used for Contracts costing $100,000 or more, or for a lesser amount where the nature of the Work to be provided requires. This form of Contract must be used where the work involves exercise of judgement and there is risk resulting from professional errors or omissions.

NEGOTIATED & SINGLE SOURCE CONSULTING SERVICES

Any Consulting Services Agreements to be Negotiated and awarded on a non-competitive basis must receive prior approvals, as follows:

Value of Assignment	Prior Approvals Required
Consulting Agreements valued between $0 and $99,999	CEO
Consulting Agreements valued between $100,000 and $999,999	Minister of Transportation
Consulting Agreements valued at $1,000,000 or more	Treasury Board/Management Board of Cabinet

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DOCUMENT PREPARATION

PCS is responsible for maintaining an inventory of standardized document templates for the various types of Competitive Bidding Processes. PCS is solely responsible for any modifications that are required to each Standard and for developing new or specialized documents/templates. The Client may manually edit a copy of the Standard and suggest changes that may be required to suit the situation. Any changes must receive the prior concurrence of PCS and Legal Services. PCS will arrange, through the Corporate Document Coordinator, to produce the final document.

All new Competitive Bidding Process documents will be prepared using the latest applicable Standard templates. Standard templates and previous versions of documents can be converted by PCS to .pdf format to allow Clients to submit edits/comments electronically on such versions in preparation of documents on a project-by-project basis. PCS can also provide copies of previous versions of Client generated Specification/scope of work sections in MSWord format for editing/updating by Client groups. All such electronic edits/comments prepared by Clients must be forwarded to the assigned Junior Buyer/Buyer/Contract and Tendering Officer/Contract Specialist who is responsible for the editing and assembly of the final version of the document for issue to Bidders.

Electronic copies of Tender documents will only be provided to Bidders with the specific approval of PCS Management, and these approvals are typically restricted to the provision of complex pricing tables for completion electronically by the Bidder.

SPECIFICATIONS & EVALUATION CRITERIA

The Client and PCS are responsible for developing the criteria that will be used to evaluate any Procurement. All Evaluation Criteria must be contained, in a clear and simple manner, in the Procurement Document. Typical criteria in a price based Tender process are:

COMMODITIES

- Conformance to Specification
- Lowest Price
- Meets delivery requirement
- Warranty
- Training

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- Installation
- Proper completion of Tender documents

SERVICES

- Proven experience with Work of similar magnitude and type
- Lowest Price
- Compliance with insurance and indemnification requirements
- Compliance with bonding requirements
- Financial capability to conduct and sustain the work
- Implementation /work schedule
- Facilities
- Equipment
- Qualified management
- Qualified workers
- Quality assurance system
- Occupational Health & Safety Policy & Program
- Certification requirements
- Proper completion of Tender documents
- Attendance at Mandatory Site Meeting/Bidders Conference

When selecting Evaluation Criteria, the above list is to be reviewed to determine if any of these criteria are applicable. These criteria are considered to be Pass/Fail for the purposes of evaluation. Unlike criteria in an RFP and RQQ format, evaluation criteria for the provision of simple goods and/or services conducted by Tender are not weighted. If any of the above criteria are used in a Procurement and a particular Tender submission fails to meet one of them, it is likely that Bid is Non-Responsive and should not be considered further.

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MERX

MERX is Canada's leading electronic tendering service. It provides easy access for potential bidders to be made aware of bidding opportunities. MERX can also be used as the source for obtaining complete bid document packages in electronic or hard copy format. MERX has been selected by the Canadian Federal Government and the Ontario Provincial Government as their provider of e-Tendering services.

Upon preparation of the appropriate Tender or Proposal document package, PCS staff advertise the opportunity on the MERX website. This will automatically notify bidders in selected categories of the new project posting. For bidders not registered on the MERX system, the oppourtunity will also be easily findable on the MERX site through use of standard search tools and criteria, so that all potential bidders can have access to all posted opportunities.

In addition to posting a notice of the opportunity, it is also possible to post the complete document package in a locked .pdf format (including drawings) on the MERX website. This provides an opportunity for Bidders to obtain a complete bid package in electronic form, for a standard per download fee, using any available internet connected web browser. Bidders also have the choice of ordering full hard copy versions of all documents and drawings for a price per page fee for documents and full sized drawings. Such documents are printed and issued from a centralized MERX distribution hub within 24 hours of the request being submitted and paid.

In cases where documents have been downloaded or ordered from MERX, during the tender process as addenda are issued, these will also be posted on MERX. All document takers for that project will be notified of the posting of such Addenda and PCS staff will be able to confirm the receipt of such Addenda by all document takes by logging into the MERX site.

The MERX site also provides PCS staff with various activity tracking and reporting functions, including a number of preformatted standard report templates, as well as the ability to download data in Excel format for further research and analysis of Metrolinx activities.

PCS Management is currently working in partnership with MERX to enable receipt of electronic bids through the MERX system by early 2013.

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COMMUNICATIONS WITH VENDORS LEADING UP TO AND DURING THE BID PROCESS

It is necessary to strictly control communication about a Procurement between Metrolinx and Bidders while a Procurement is in progress. PCS is solely responsible for all communications with Bidders in the period leading up to and during a Procurement process. The general rule is that a "blackout period" exists from six (6) months in advance of a known procurement until the Procurement process in completed. During this period if, a Vendor contacts any Board Member or staff person outside of PCS directly, the person contacted should not discuss the matter and should direct the caller to contact PCS staff directly.

This is important to ensure that all Bidders receive the same information and are treated fairly and equally both before and during the process. This includes answering all questions and seeking clarifications from Bidders. The identity of the Vendor who asks a question is not to be revealed, directly or indirectly.

All material questions are committed to writing and forwarded by PCS to the Client. In the case of questions regarding the Procurement process and administrative matters, PCS will provide the answers; otherwise the Client provides the answers to PCS who will, in turn, prepare the actual response to the Bidders. The Client, if the questions are technical in nature, may be requested to approve the final response prior to issuing it to the Vendor(s).

Failure to abide by the provisions of this Section could lead to discipline, up to and including dismissal.

SITE MEETING/BIDDER'S CONFERENCE

A Site Meeting provides an opportunity for all Bidders to view and familiarize themselves with the site where the Work will be performed. The meeting 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.

Site Meetings provide an opportunity for Bidders to discuss aspects of the Procurement expeditiously, so that all parties present can hear Metrolinx's response in a common forum and/or be advised when a response will be provided. Site Meetings help ensure that all Bidders have the same understanding of the Work and are all provided the necessary information for the submission of a realistic Bid. In addition, Site Meetings assist Metrolinx in complying with its legal obligation of ensuring all Bidders are treated in a fair and equitable manner throughout the Bidding process.

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Bidder conferences are information meetings that have the same intent and form as Site Meetings, but occur when there is not a particular site involved and when discussion is generally required concerning the written Specification, general conditions or administrative matters.

If it is determined by PCS that a Site Meeting or Bidders Conference is warranted then attendance at the Site Meeting and/or Bidders Conference will become a mandatory requirement for Bidders wishing to submit a Bid.

It is Metrolinx's practice to hold mandatory Site Meetings for construction and service related Procurements and not to have Site Meetings at all for Consulting Services, however, there can be exceptions for particular Procurements. For example, specific exception should be given in cases where there is no public access to the site of the proposed work and it cannot be properly viewed from a location normally accessible to the public. Bidders must attend the entire meeting from call to order to adjournment in order to Bid on the opportunity. The requirement for mandatory Site Meetings must be contained in the advertisement and Procurement documents. Records of attendance must be kept and form part of the PCS file. Only one Bidder representative is required to attend a mandatory Site Meeting.

Given the staff time involved in conducting a Site Meeting, they should only be held when there is a benefit in doing so, or a risk in not doing so. Criteria to consider when deciding whether a Site Meeting is warranted include, but are not limited to: the uniqueness, complexity or difficulty of the Work; site constraints; specific issues that need to be identified to the Bidders; difficulty in Bidders accessing the site; etc.

If it is determined by PCS that a Site Meeting is warranted then attendance at the Site Meeting will be a mandatory requirement for Bidders wishing to submit a Bid

NOTICE OF SITE MEETING

The notice of Site Meeting shall include the following information:

- The project name and Procurement Document number;
- A brief description of the work;
- Date, time and location of Site Meeting including directions if the site is in a remote and/or difficult to find location;
- Consequence for failing to attend or late arrival at Site Meeting;
- Closing Date and Time;

- Amount of Bid Deposit (if required);
- Requirement for Performance Bond and Labour and Material Bond (if required);
- Safety wear necessary for accessing site (if required); and
- Any specific qualifications or experience the Bidder must possess in order to be considered qualified to Bid on the Work.

Notice of Site Meetings shall be given as follows:

Public Tenders:

- In a Tender ad that appears on MERX and, if applicable, in a print Tender ad (i.e. Daily Commercial News); and
- Standard Instructions to Bidders of the Procurement Documents.

Invitational Tenders

- In the letter of invitation to the Bidder; and
- Standard Instructions to Bidders of the Procurement Documents.

Notice of Site Meeting shall be given no later than seven (7) calendar days prior to the date of the Site Meeting for Public Tenders and no later than four (4) calendar days prior to the date of the Site Meeting for Invitational Tenders.

PROCEDURE FOR CONDUCTING SITE MEETING

The person conducting the Site Meeting (either PCS or Client Staff) shall:

- Arrive at the location of the Site Meeting a minimum of fifteen (15) minutes prior to the scheduled start of the meeting.
- Have the following documents in their possession:
  - A copy of the Procurement Documents;
  - A copy of the notice of Site Meeting (i.e. Tender ad, letter of invitation); and
  - Blank copies of the Record of Site Meeting Sheets (hereinafter referred to as the "sign-in sheet(s)")

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- Request Bidders sign and provide the requested information as indicated on the sign-in sheet. Only Bidders are required to sign-off. Subcontractors, sub-consultants and suppliers are not required to do so.

- Immediately prior to the scheduled start time of the Site Meeting check the site to ensure all Bidders are at the location where the meeting will be convened.

- The Site Meeting shall be called to order at the scheduled start time, as specified in the notice of Site Meeting.

    - The start of the Site Meeting may be delayed in the event one (1) or more of the following occur:

        - all the Bidders attending have not finished signing in;

        - weather or traffic conditions may delay Bidders from arriving at the Site Meeting on time;

        - key Metrolinx representatives (i.e. Project Coordinator, Consultant) are late in arriving; or

        - Site Meeting is in a location that is remote and/or difficult to find without readily identifiable landmarks.

    - The start of the Site Meeting shall not be delayed to accommodate the late arrival of a particular Bidder even if that Bidder has given prior notice of their late arrival.

- Upon calling the Site Meeting to order the person conducting the meeting shall:

    - State the project name and Procurement Document number that the Site Meeting is for.

    - Introduce themselves and other Metrolinx representatives in attendance.

    - Ask those present if they have signed in. If any Bidder has not, they shall be given an opportunity to do so.

    - Advise those in attendance that this is a mandatory Site Meeting and only Bidders present and registered from the time the meeting is called to order until the time it ends will be eligible to submit a Tender for the Work.

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- If applicable, advise Bidders that those not wearing the required safety apparel as identified in the notice of Site Meeting will not be permitted access to the site and will not be eligible to submit a Bid for the Work.

- State the Closing Date and Time. Advise under no circumstances will late submissions be accepted and that such Bids will be returned to the Bidder unopened.

- Advise Bidders of the amount of the Bid Deposit (if applicable).

- Advise Bidders that submissions that do not include the required Bid Deposit will be found non-responsive and disqualified.

- Advise Bidders to submit a completed Agreement to Bond, or specified alternative (if required) with their submission.

- Advise Bidders that submissions that do include the required completed Agreement to Bond, or specified alternative, will be found non-responsive and disqualified.

- Advise Bidders to ensure that they complete their Procurement Documents fully and include all required submittals and that failure to do so may result in their submission being found non-responsive and disqualified.

- With reference to the appropriate section of the Standard Instructions to Bidders of the Procurement Documents advise the Bidder to who they should direct questions to during the Tendering period and the method by which those questions shall be transmitted.

- Advise Bidders of the cut-off date for submitting questions.

- Advise Bidders that should Metrolinx consider any clarifications, additions, deletions or corrections are required to the Procurement Documents, such revisions shall be made by written Addendum, a copy of which will either be distributed to each Bidder who is registered as having received and/or purchased Procurement Documents, or if the Bid has been advertised on MERX, the Addenda will be posted there for download by the Vendor.

- Request Bidders hold their questions until the end of the Site Meeting to ensure that everyone can hear the question and answer.

- Turn the Site Meeting over to the Project Coordinator, for the site tour and/or appropriate technical discussions.

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- At the conclusion of the site tour and review of the scope of work by the Project Coordinator and/or Consultant gather all participants together for the question and answer session.
- Ensure all Bidders are still in attendance. Note any absences on sign-in sheet.
- At the conclusion of the question and answer session formerly adjourn meeting.

- During the Site Meeting, site tour and question period after, make brief notes as applicable concerning any issues that may be a subject of an Addendum. At the conclusion of the Site Meeting review notes with Project Coordinator and Consultant to determine if an Addendum is required.
- Upon return to office ensure the sign-in sheet is placed in the Procurement file as it is used to determine if a Bidder was in attendance at the Site Meeting.

LATE ARRIVING BIDDER

If any Bidder arrives at the Site Meeting after the meeting has been called to order they shall not be permitted to sign in. At the first opportunity they shall be privately taken aside and it shall be explained to them, with reference to the applicable section of the notice of Site Meeting, that they are late and consequently not eligible to submit a Bid for the Work.

BIDDER WITHOUT SAFETY EQUIPMENT

In the event a Bidder arrives at the Site Meeting without wearing the required safety apparel, as specified in the notice of Site Meeting, they shall not be permitted access to the site. At the first opportunity they shall be privately taken aside and it shall be explained to them, with reference to the applicable section of the notice of Site Meeting, that since they are not wearing the required safety apparel they cannot be permitted access to the site and consequently, will not be eligible to submit a Bid for the Work.

If the Bidder has the permitted safety apparel in their vehicle they will be allowed to return to their vehicle to get it and participate in the Site Meeting.

Under no circumstances shall Metrolinx provide any safety apparel to a Bidder who comes to a Site Meeting without it.

ADDENDA

During the course of a competitive Bidding process there may be changes to the Specification and or administrative portions of the Procurement document. The changes

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will be issued as written Addenda by PCS to all parties who are in possession of a set of Procurement documents and/or will be posted on MERX. The Bidder will be required to sign each Addendum and include the executed Addendum(s) in their submission as proof that they received the Addendum and considered its contents when putting together their Bid. Instructions on how to handle the Addenda must be clearly spelled out on the first Page of the Addenda or accompanying covering letter.

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 Addenda should be issued that does not allow Bidders sufficient time to act on it. If required, the closing date and time will be extended to provide sufficient time for the Vendor to act on the Addenda. The "rule of thumb" is that no Addenda will be issued less than 72 hours before the Closing Date & Time of any given Procurement. Deadlines for Bidder's questions to Metrolinx must be clearly stated in the Procurement Documents. Four (4) business days prior to the Closing Date & Time should be considered an absolute minimum deadline to accepting material questions from Bidders.

CLOSING DATE & TIME

If a Procurement has a published closing date and time, only submissions received up to and including the closing date and time will be accepted. Submissions received after the closing date and time will not be accepted and where possible, will be returned to the Bidder(s) unopened. The clock used to display the time for these purposes will be located at the PCS receiving desk, at Metrolinx's Head Office and will show hours and minutes (but not seconds). If, for example, the closing time is 3:00 p.m., Bid submissions received earlier than that time will be accepted, as will Bid submissions received while the clock displays 3:00 p.m. In that situation, any and all Bid submissions received while or after the clock displays 3:01 p.m. would be considered late and would not be accepted.

PCS staff will confirm the time on the official time clock by confirming the time of day with GO Operations, on a regular basis.

BID OPENING/PUBLIC OPENING

Submissions for Procurements will only be opened after the established Closing Date and Time. There will be an official public opening for all public and invitational Bid processes at Metrolinx's offices, immediately after the Closing Time on the Closing Date. The general public may attend any public Bid opening.

All openings will have in attendance the PCS representative who will officiate and a minimum of one other Metrolinx employee to serve as a recorder and witness. The general

public may attend any public opening. For public openings, all submissions will be opened in front of those attending the opening. The PCS representative will read out the Total Bid Price, exclusive of all applicable taxes, the name of the Bidder making the Bid and will advise all present that the prices read out are subject to verification and Administrative Review to determine compliance. The Bidder name and the price read out will be recorded on the Record of Tender Opening form. This form will be signed by the PCS representative and the witness(es). RFP's, RFQ's, RQQ's and SQ's will not be opened in public because they frequently contain confidential and proprietary information. All such Bid processes should be treated as confidential and the release of any information they contain is subject the approval of PCS management and Freedom of Information (FOI).

All submissions will be kept separate and remain in the custody of PCS until the Administrative Review is complete. All copies of RFP submissions, except one to be maintained on the Procurement file, will be shredded by PCS staff, after Award of a Contract, or at the completion of the process.

LATE BID SUBMISSIONS

Bid submissions presented to, or received by PCS after the closing date and time will be time stamped on the envelope, and the Bid submission 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. No late submission will 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 a late Bid submission.

MODIFICATIONS TO BIDS / WITHDRAWAL OF BIDS

Metrolinx 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 are not acceptable under any circumstances, after the Closing Date and Time.

After opening, if Metrolinx, at it's sole discretion, subjectively exercised, has reason to believe that a Bidder's submission reflects a fundamental misunderstanding of the Work, the Bidder who submitted the Bid may be offered the opportunity to withdraw their Bid, without prejudice or penalty, provided that the withdrawal is in written form.

As stated in BID SECURITY, the payment provision of a Bid Bond or other Bid Security will be invoked if a Bidder refuses to execute a Contract or provide the specified Contract Security after Award.

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DOCUMENTS BY FACSIMILE & E-MAIL

The transmission of any Procurement Document by facsimile is fully acceptable and shall be equivalent to originals being used for Procurements of all types having a value of less than $50,000. Above $50,000, approval to accept fax submissions must be approved by PCS Management.

Procurements having a value of $50,000 or over must use hard copy documents. Exceptions must receive the approval of PCS Management. Except for Procurements posted on MERX, clarifications, Addenda and other notices may be sent and received by facsimile during a Procurement, if time constraints require it, but the faxed documents may require follow-up by hard copy originals. PCS may determine that original Procurement Documents must be submitted for certain sensitive Procurements.

The transmission of certain Procurement Documents by e-mail may be permitted, on a case-by-case basis, at the sole discretion of PCS. Questions and clarifications during a Competitive Bidding Process may take place via e-mail between PCS and the Bidder(s) and the Consultant, but not the submission of original Procurement Documents for the purposes of submitting a Bid.

SPECIAL REQUIREMENTS

INSURANCE

Vendors are responsible for ensuring that they manage and have relevant financial protection against the risks to which they are exposed, especially those over which they have control. The general policy of Metrolinx is not to indemnify Vendors against such risks. A general condition of every Contract is that Vendors indemnify and save Metrolinx harmless from all manners of claims and damages. Commercial insurance is the preferred method of Vendors to provide this indemnification to Metrolinx and others (as additional insured's), therefore, proof of various types and amounts of insurance are a specific requirement of successful Bidders, in all Metrolinx Contracts with a value of $50,000 or greater. No proof of insurance or Workplace Safety and Insurance Board (WSIB) certification is required for Work with a value under $50,000, however, indemnification provisions will be included on the final Purchase Order to protect Metrolinx.

PCS, in conjunction with the Client, will specify types and limits of insurance required, if any, after assessing the perceived risk on a project-by-project basis. Insurance certificates of successful Vendors are maintained in the Procurement file and updated prior to their expiry, as required, during the course of the Contract.

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BID SECURITY

It is standard practice for some types of Procurements to require Bidders to provide a Bid Security in the form of a Bid bond, certified cheque, or other form of monetary consideration, with their Bid.

Bid deposits/bonds cost money and ultimately increases cost to Metrolinx, so there should always be a consideration of the practical value of Bid Security, i.e. what is the likelihood that the successful Bidder will refuse to execute the Contract for the Work. If there is no history of refusals to execute a Contract or perform the Work contemplated by a particular Procurement, a Bid deposit may not be necessary. If there is a risk, then Bid Security should be considered.

For Contracts other than Construction, Bid Security is optional, but should be used where there is reasonable risk that the Bidder may refuse to execute the Contract or where the Contract is of high value and high profile.

Records of Bid Security received are created and the securities retained by PCS, in the PCS safe, during the Competitive Bidding Process. The retention period is flexible but the Bid Security of the unsuccessful Bidders should be returned within 14 business days of the Contract Award date. Bid Security is automatic for all Construction Contracts but is waived for low value and low risk construction Contracts at the Client's request and with PCS concurrence.

PERFORMANCE & LABOUR AND MATERIALS PAYMENT BONDS

Procurements of high value, high profile, or high risk that the Contractor will be unable to complete the Contract should require that the Contractor provide a Performance Bond. Where the Contractor will employ subcontractors to provide items or services that require significant labour and/or material, the Contractor should also be required to provide a Labour and Materials Payment Bond that would protect the subcontractors against non-payment by the Contractor.

Bonds cost a significant amount of money and can add as much as 0.8 % to the price of a Contract. Careful consideration must be given to the practical value of these Bonds, i.e. how likely is the Contractor to fail and/or not pay their subcontractors. Performance Bonds are the norm for construction Contracts, but the requirement may be deleted if the Client and PCS agree there is little real risk. These Bonds are optional for other types of Contracts but should be considered where value is high, i.e. over $1,000,000, or where there is a corporate perception for the need for this type of insurance.

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Alternate forms of Bonds such as security deposits, certified cheques, bank drafts, Letters of Credit, or Letters of Guarantee may be considered in consultation with Legal Services and the Client.

The requirement for these Bonds and alternatives must be stipulated in the Procurement Documents and in any public advertising.

Only Bonds from Surety companies licensed and registered to transact business as a Surety in Canada will be accepted.

OCCUPATIONAL HEALTH AND SAFETY FOR CONSTRUCTION

In the interests of implementing and maintaining a safe work environment Metrolinx requires that all Contractors, performing work under Contract, be knowledgeable of and in compliance with the provisions of all applicable statutes, bylaws and regulations governing workplace health and safety.

In order to demonstrate the required knowledge of workplace health and safety, and compliance with the applicable statutes, bylaws and regulations, Bidders on Metrolinx construction work are required to submit the following with their Bid:

- A copy of the Contractor's Occupational Health and Safety Policy; and
- A copy of the Contractor's program to implement its Occupational Health and Safety Policy.

The Contractor's Occupational Health and Safety Policy and program to implement its Occupational Health and Safety Policy shall comply with all the requirements of the Regulations for Construction Projects, Ontario Regulation 213/91, *Occupational Health and Safety Act*, as amended from time to time (the "Act").

Having an Occupational Health and Safety Policy and program that are in compliance with the Act is one of the qualifications a Bidder must possess in order to be considered for Award of a Contract. Failure to meet this qualification will result in the Bidder's submission not being considered further.

Failure of a Bidder to submit an Occupational Health and Safety Policy and program with its submission or within two (2) business days of being requested to provide such policy and program will result in its Bid being found non-responsive and disqualified.

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PROCEDURE

The Buyer, Contract and Tendering Officer or Contract Specialist, when conducting the administrative review of a Bid received for a construction project, shall note if the required Occupational Health and Safety Policy and Program (the "Policy and Program") have been submitted with the Bid. If these documents have not been included with the Bid, PCS shall contact the Bidder in writing to request the required documents be submitted by no later than 4:00 p.m., Toronto time, of the second business day following the request. The Bidder shall be advised failure to comply with the request shall result in its Bid being deemed non-responsive and disqualified. The written request shall be sent by email or fax.

If the required Policy and Program were included with the Bid or provided by the Bidder upon request, within the specified period of time, upon completion of the administrative review, and if the Bid was compliant in all other respects and found to be responsive, a copy of the Policy and Program shall, along with copies of the Policy and Program from the other Responsive Bids, be forwarded to Metrolinx's System & Environmental Safety Officer for review and evaluation.

The System & Environmental Safety Officer, upon completion of their review and evaluation of the policies and programs submitted, shall report in writing to the Client's project coordinator responsible for the project and the appropriate PCS staff, whether or not the Policy and Program submitted for each Bidder is in compliance with the Act. If a Bidder's Policy and Program are not in compliance with the Act then the Bidder shall not be deemed qualified for Award of the Contract and its Bid shall not be considered further.

The Recommendation for Award of Contract shall not be issued by the Client nor shall any notification of Award of a Contract be issued by PCS until the System and Environmental Safety Officer has completed their review and evaluation and reported their findings in writing.

PROJECT SPECIFIC HEALTH AND SAFETY PLAN

Depending on the nature of the Work the successful Contractor may be required to prepare and submit to Metrolinx a site specific Health and Safety Plan (the "plan"). Such a plan shall be submitted by the Contractor at the pre-construction meeting for Metrolinx's review and approval.

PCS shall insure that the System & Environmental Safety Officer has reviewed the Procurement Documents before they are issued and that any site specific safety issues that the Contractor must address in its site specific plan are identified in the Procurement Documents.

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In the event that any site specific safety issues are not identified in the Procurement Documents, the System and Environmental Safety Officer shall, upon completion of their review of the policies and programs submitted, inform the Client's project coordinator of any specific issues the Contractor must address in its site specific plan. It will be the responsibility of the Client's project coordinator to forward this information to the Contractor and to receive the site specific plan from the Contractor and forward it to the System and Environmental Safety Officer for review and approval.

The site specific plan and the issues it is required to address will not be requested in the Contract Award letter that is sent to the Contractor, as the submission of the site specific plan occurs after Award of the Contract and consequently is a Contract performance issue, not a condition of Contract Award.

PROVISION OF MANDATORY INFORMATION

Apart from pricing information, Procurement Documents frequently require the submission of additional mandatory information. This mandatory information, if not provided with a Bid, may render that submission Non-Responsive. Examples of standard mandatory information required with the submission of a Bid include, but are not limited to:

- Bid security
- Agreement to Bond/Surety statement
- Description of Contractor's workforce
- Description of Contractor's facilities & equipment
- Contractor's Qualification statement
- Occupational Health & Safety performance record
- Occupational Health & Safety Policy and program
- Contractor's list of Sub-Contractors

CONFLICT OF INTEREST

All Metrolinx standard Tender Documents will include a requirement for Bidders to identify potential issues of conflict at the time of Bidding.

ADMINISTRATIVE REVIEW

All submissions in response to a Competitive Bidding Process, invitational or public, are reviewed by PCS staff, as soon as practical after the Closing Date & Time to determine if they conform to the administrative requirements set out in the Procurement Documents. Submissions that meet these requirements are considered "Responsive" or "Compliant". Those that do not materially meet the requirements are considered "Non-Responsive" or "Non-Compliant" and are not evaluated or considered further in the Procurement process. These Bids are set aside and are not given to the Client. These Non-Responsive submissions are considered sealed and no information about them is made public, other than the total price (unverified) if it was opened in public.

As a minimum, the Administrative Review will examine signatures, company name, dates, completeness of pricing, accuracy of unit price extensions and all price calculations, and where required, provision of Bid Security, agreements to bond, insurance, WSIB certificates and submission of other mandatory requirements.

CHART OF BIDDING IRREGULARITIES

If a Bidder fails to supply or complete items, where they are required by the Procurement Documents, these are deemed to be Bidding Irregularities, which are to be reviewed and acted upon by the assigned member of the PCS staff. Some submissions, by virtue of the type of Bidding Irregularity, will be considered Non-Responsive and be automatically rejected from further consideration. It is not permissible to later rectify a Non-Responsive item and render a submission responsive. Bidder(s) may be allowed to rectify certain non-material irregularities as listed below, and will be given 48 hours to do so, in order for their submission to be considered further. Failure to rectify any non-material Bidding Irregularity within the specified time frame will result in that Bid being declared Non-Responsive and it will not be considered further.

The Manager PCS, in his/her sole discretion, reserves the right to formally decertify a Vendor and suspend their Bidding rights on future Metrolinx work, if that Bidder has been given a specified timeframe to rectify certain non-material Bidding Irregularities, and declines/fails to do so.

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IRREGULARITY	RESPONSE
• Late Bids	• Late Bids will not be accepted for any reason and will be returned unopened
• Unsealed Bid envelopes	• Unsealed Bids will not be accepted for deposit in the PCS lock box for that Competitive Bidding Process
• Proper Bid envelope not used	• Acceptable if clearly marked for the subject Procurement, sealed and submitted in time
• Bids not completed in pen ink	• Automatic rejection, unless allowed for in the Procurement Documents
• Bids received on documents other than those provided in the Procurement Documents (i.e., scanned or re-typed)	• Automatic rejection, unless allowed for in the Procurement Documents
• No original pen ink signature of the Bidder in the Bid, or in a covering letter	• Automatic rejection
• No Bidder name in the Procurement Documents	• Automatic Rejection
• Bid Security, in an amount less than required, not signed by the Bidder, or payable to the incorrect obligee	• Automatic Rejection
• Bid Security and/or Agreement to Bond, Surety Statement not provided, not in the form specified, or not original, not signed by Bonding Company/Surety	• Automatic rejection
• Agreement to Bond, Surety Statement or Letter of Intent to issue a Letter of Credit in an amount less than required, or made payable to other than Metrolinx or containing conditions	• Two (2) working days to correct

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IRREGULARITY	RESPONSE
• Partial Bid	• Automatic rejection, unless allowed for in the Procurement Documents
• No Total Bid Price in the Form of Tender (Stipulated Price Contract)	• Automatic rejection
• No unit prices supplied	• Automatic rejection unless allowed for in the Procurement Documents
• Unit prices have been changed, but not initialled	• Two (2) working days to correct by initialling changes
• Other mathematical errors which are not consistent with the unit prices	• Two (2) working days to initial corrections as made by PCS. Unit prices shall govern and the Bid will be corrected accordingly
• A "0" is entered where price information is to be provided	• shall be interpreted as meaning the Vendor will provide the specified product and/or service to Metrolinx at no charge
• Failure to return/submit documents, as specified	• Where complete Procurement Documents are specified, automatic rejection, otherwise, two (2) working days to correct
• Isolated pages are missing (i.e., Addenda, Attachments)	• Two (2) working days to supply the missing pages, where in the opinion of PCS, the missing pages would not materially change the Bid submitted. PCS reserves the right to waive the extra pages and accept the Bid, or reject it outright. Missing pages from a Form of Tender/Proposal and/or the Vendors Proposal containing pricing information or signatures cannot be requested at any time, as this is considered Bid repair.
• Bids containing minor clerical errors and/or uninitialled changes to the Bid documents which are minor	• Two (2) working days to correct and initial errors. PCS reserves the right to waive initialling and accept the Bid

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IRREGULARITY	RESPONSE
• Qualifying statements, write-ins or strike-outs	• Two (2) working days to formally rescind, in writing, all such statements. Failure to do so will result in automatic rejection, except with Requests for Proposals
• Bid documents which suggest that the Bidder has made a major error in calculations or understanding of the Work (i.e., significantly under the estimated budget for project). Basic arithmetical corrections do not fall under this irregularity and are dealt with as noted on the chart above.	• Consultation with Legal Services and the Client on a case-by-case basis with a verbal report to Senior Management. Bidder may be allowed to withdraw their Bid, in writing, without prejudice or penalty.
• Unsolicited alternate Bids	• Not considered unless allowed for in the Procurement Documents

RELEASE OF PROCUREMENT INFORMATION AFTER BID CLOSING

All requests for information regarding Procurements, after a Bid process has closed, are to be directed to and answered by PCS.

The release of information about Bids that are opened publicly will be posted on the Metrolinx website and MERX if applicable, for information purposes only. All information related to Bidders who otherwise responded to competitive Procurement processes, or other processes will be strictly controlled and require the approval of PCS Management.

Only the names of Vendors who successfully Pre-qualifed as the result of a Pre-qualification process will be released. The only information to be supplied to the public regarding prices Bid on Procurements that have closed and been opened are:

- For publicly opened competitive Procurement processes, except RFP's, the Bidders name and the total Bid price, unverified. Option prices are not revealed;
- For RFP's, only the names of the Bidders who submitted proposals are released. Total contract price of the successful Bidder, is permitted to be released after the Award only;

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- For RQQ's, only the names of Bidders who submitted Bids. Bid prices of all Bidders are permitted to be released after the Award only;

- For a Pre-qualification, the names of Pre-qualified Bidders only;

It is common practice for subcontractors to request the names of Vendors who have acquired Procurement documents so they can contact potential Bidders to offer their services for the project. In these instances, PCS will make this information available for public Procurements on MERX. This information will normally not be provided for other types of Procurements, unless approved by PCS Management.

The release or non-release of information will be universal, i.e. if withheld, it is withheld from all parties and if released, it is released to all parties. PCS management may determine that the release of this information is important to the Procurement and may distribute such information freely to all Bidders or members of the Contractor or subcontractor community.

CLARIFICATIONS

The Administrative Review and evaluation of submissions for complex and high value Procurements frequently generate situations where Metrolinx requires clarification of information provided from one or more Bidders about their submissions. In cases where the clarification is specific to one Bidder, it is important to address clarifications to that Bidder only. Only PCS may contact Bidder(s) for clarification purposes, during the Competitive Procurement Process and/or prior to Award, but is under no obligation to seek clarifications from any Bidders.

QUALIFIED BIDS

Any Bid received, except RFP's, which contains a qualifying statement(s), write-in(s) or strike-out(s) will not be accepted, as submitted. If Bidders wish to request clarifications, or suggest changes to wording, clauses, etc., contained in the Procurement Documents, they must do so, prior to the specific cut-off date for submitting questions, during the Competitive Bidding Process. Bidders whose Bids include any such qualifications will be addressed in accordance with the Chart of Bidding Irregularities above.

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ALTERNATE BIDS

Alternate products or services must be submitted for approval by Bidders prior to the Closing Date identified in the Procurement Documents. After review, and if accepted by Metrolinx, information regarding alternates will be issued via Addenda.

IDENTICAL BIDS

If identical low Bids or Proposals are received, the Contract should be awarded on the basis of best value. The factors below should be used and weighted as deemed appropriate by PCS:

- If the Procurement was conducted as a Public Tender, the Bidder with the highest evaluated/best reference checks in the sole discretion, subjectively exercised, of Metrolinx;
- Warranty offered by the Bidders;
- A Bidder with an overall satisfactory performance record should be given preference over a Bidder known to have an unsatisfactory performance record in the sole discretion, subjectively exercised, of Metrolinx;;
- A Bidder in a position to provide adequate after-sales service with a good record in this regard should be given preference over a Bidder who is not able to provide adequate service or who has a poor record in the sole discretion, subjectively exercised, of Metrolinx;
- When delivery is an important factor, the Bidder offering the best delivery date should be given preference;
- If none of the above has been successful, the work should be given to the Compliant Bidder who has had the least amount of previous work with Metrolinx;
- If none of the above has been successful, a “coin toss” will be conducted in the office of PCS Management, in the presence of the Client.

Senior Management should be consulted in cases where collusion may be expected with identical Bids.

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BID WITHDRAWAL AFTER TENDER CLOSING

After the Closing Date and Time, if the apparent low Bidder to a particular Competitive Bidding Process has submitted a price obviously too low to be able to complete the project, the Client group and PCS will meet immediately to discuss the Bid price. PCS and the Client shall communicate with the Bidder to confirm their understanding of the level of effort/work required to complete the project. If, after review, the Bidder agrees that they have misunderstood the Work and priced inaccurately, Metrolinx, at its sole discretion subjectively exercised, may accept a written request from the Bidder to withdraw its Bid, without penalty, or prejudice.

If after review the Bidder wishes to complete the Work as priced, PCS, the Client and, if required, Senior Management, will consider the situation prior to making an Award recommendation.

CONFIDENTIALITY

All Procurement Documents 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 Procurement 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 will form part of the Procurement file.

The contents of public Procurements are not confidential, after release to Bidders, however, any subsequent Bid submission received is confidential.

Where a Bidder has submitted financial information regarding its company, the information will be treated as confidential, unless the company is publicly traded and unless the information is otherwise available through other public sources.

The requirement for confidentiality applies prior to and during a Competitive Procurement Process, and after the Award and execution of the applicable Contract.

EVALUATION PROCESS FOR AWARD

All Procurements are evaluated in order to determine if the Bidders submission or quotation meets the requirements of the Procurement Documents and to determine which Bidder has the lowest price, or in the case of RFP's the highest evaluated score.

PCS staff evaluates low value Procurements, below $50,000, unless otherwise noted on the originating Requisition. In all other cases the Client is responsible for the evaluation of

the technical aspects of Tender submissions and reference checks in order to declare Bidders qualified to perform the Work in question.

Evaluations are to be objective, rely solely on the information provided in response to the Procurement Documents and must use the Evaluation Criteria published in the Procurement Documents. There will be no hidden criteria or preferences. If the Client does not provide Evaluation Criteria, PCS will default to price, conformance to Specification and delivery date, as the only criteria. No criteria can be changed, added or deleted once the Procurement Documents have been released to the Bidder community unless done so by formal written Addenda. In rare cases the evaluation process is frustrated by some of the criteria being unworkable; in these cases a written request must be made to PCS Management explaining the problem and recommending changes to the evaluation criteria. It is PCS's responsibility to determine what action is taken in such a situation in consultation with Legal Services, up to and including cancellation of the Procurement.

EVALUATION BY ENGINEERING SERVICE PROVIDERS

It is normal practice for Consulting Engineers to evaluate Tender submissions for civil construction Work, however, this evaluation is limited to conducting reference checks and reviewing past experience of Bidders in order to make a recommendation for Award to the "Compliant Bidder who provided the lowest price". Consulting Engineers are sometimes used for other types of Procurements, but only as technical experts for evaluating specific Criteria, or as non-scoring technical advisors to the entire Evaluation Committee.

Regardless of who performs the Evaluation, the Client is fully responsible for the final recommendation and to ensure Metrolinx policy and practices are adhered to.

The Consulting Engineer's Evaluation report/recommendation will, as a minimum, consist of a written analysis of each Bidder's submission and/or a pass-fail indicator.

The evaluation criteria will be only those published in the Procurement Documents.

If references for previous work experience is a criterion, the Consulting Engineers Evaluation Report must record the names of Companies contacted, the person contacted, times and dates, as well as anecdotal comments of the reports of Vendors performance on past projects. There must also be a determination as to whether or not the past performance meets, or does not meet Metrolinx's requirement for proof of experience.

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EVALUATION OF RQQ'S/RFP'S

Due to the complexity of typical Evaluation Criteria in an RQQ or RFP, the Client forms a committee to review and score all Proposals received, against the published Evaluation Criteria. The Evaluation Committee is normally comprised of three persons and includes a senior staff member from the Client and a second individual (a technical person, if required) from the Client. Both of these people are deemed to be interested parties. In addition, an impartial senior staff member from another branch, without a vested interest in the project, is required as part of the team, to ensure that there is no real or perceived bias in favour of or against a particular Bidder(s). PCS Management may waive this requirement at their sole discretion where it is deemed unnecessary or for purposes of expediting a process due to staff availability to participate as a member of an Evaluation Committee. The evaluation of specific aspects of a submission by a particular Evaluation Committee member or outside agency must be determined prior to the Closing Date as confirmed in writing with PCS staff.

PCS initially conducts the Administrative Review of all Proposals received and supplies copies of the responsive proposal submissions to the Evaluation Committee.

Evaluation Committee members independently conduct their own evaluation of each Proposal and keep working notes/papers on their reasons for assigning a particular score to a criteria or sub-element of a criteria. These working notes/papers are submitted to PCS at the completion of the evaluation and form part of the official Procurement file. Evaluation Committee questions and requests for clarification are submitted to PCS for action.

The Evaluation Committee then meets and reviews all individual evaluations and develops a consensus on the final scores under the facilitation of a PCS staff member. If a Vice-President or above is a member of an evaluation committee, a member of PCS Management will chair the consensus evaluation meeting. Once again, it is necessary to keep working notes/papers on the reasons for the final scores, changed, or otherwise. The extent and level of details contained in the working notes/papers must be sufficient record for the decisions leading to the scores and for the purpose of debriefing unsuccessful Bidders after Award. If an individual committee member has not completed their evaluations, including written notes and scores for all submissions, the consensus meeting will be cancelled by PCS and rescheduled.

There are bound to be anomalies, errors of omission, etc., with the submissions that will present procedural problems for the Evaluation Committee. The PCS staff member assigned to the particular RQQ or RFP will assist the Evaluation Committee, as an advisor, throughout the evaluation process.

Procedures for evaluating RFP's are distributed to each member of the Evaluation Team by the assigned PCS staff member and typically include the following instructions:

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1. Each member of the Evaluation Team will receive the following:

   (a) One (1) copy of the original Request For Proposal Document;

   (b) One (1) copy of each Compliant Proposal Submitted;

   (c) One (1) copy of the Administrative Review Memo;

   (d) One (1) Set of Proposal Evaluation Forms; and

   (e) One (1) copy of the Evaluation Procedures.

2. When evaluating the Proposals, the Evaluation Committee members are requested to abide by the following procedures:

   (a) All Proposals shall be treated as confidential. Avoid discussing the content of any Proposal with anyone other than the persons listed above, and even then only in private at a formal consensus evaluation meeting.

   (b) The Evaluation Committee shall evaluate the Proposals independently, and shall not discuss their comments or scores with one another prior to the consensus meeting.

   (c) Each meeting of the Evaluation Committee shall be independent, and shall not have any bias or conflict of interest.

   (d) Evaluation Committee members must conduct their evaluations in an objective manner and shall only consider the written material submitted as part of this RFP process.

   (e) Proposals shall be evaluated with reference to the Proposal Content specified in the Procurement Documents, and in strict accordance with the criteria specified in the Evaluation Criteria of the Instructions.

   (f) Proposals shall be evaluated on their own merits and not on the basis of comparison of one Proposal to another.

   (g) Evaluation Committee members shall not consider any prior information or knowledge they may have concerning a Bidder or their product when evaluating Proposals.

   (h) Detailed comments and scores for the Proposals shall be recorded on the evaluation forms provided.

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(i) If during the course of their evaluations Committee members need clarification of any of the material submitted, they should e-mail their questions to the Team Leader with a copy forwarded to the assigned PCS staff member. Questions that cannot be answered by the Team Leader or the Consultant will be forwarded to the Bidder for response. Responses to any questions will be distributed to all members of the Evaluation Committee by PCS.

(j) Evaluation Committee members are requested to forward any questions that may arise in a timely manner so that responses can be received and distributed prior to the consensus meeting.

(k) Evaluation Committee members are reminded that only questions concerning clarification of material provided may be asked. If a Bidder has not provided any of the required information, then their Proposal shall be scored accordingly.

(l) The Team Leader shall designate an individual to conduct all reference checks. Reference checks shall be conducted using a prepared script, and the results shall be distributed to the Evaluation Committee Members at least three (3) business days prior to the consensus meeting.

(m) All members of the Evaluation Committee shall attend the consensus meeting and shall come to the meeting prepared with all evaluation forms, complete with detailed comments and scores for all specified criteria for all Proposals. Failure of any member of the Evaluation Committee to attend the consensus meeting or to have completed all the evaluations as described above shall result in it being cancelled and re-scheduled to such a time that all members of the Evaluation Team can attend and be adequately prepared.

(n) At the conclusion of the final consensus meeting, the Evaluation Committee Members shall return to the assigned PCS staff member the following:

(i) Their copies of the issued Proposal submissions;

(ii) Evaluation Comment/Score Forms; and

(iii) Any additional notes made during evaluation of Proposals.

All evaluation forms and notes shall be signed by the respective Evaluation Committee member.

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3. Scoring

(a) Each area of consideration (criteria) will be graded a rating of zero to ten (0-10) by the Evaluation Committee members, based on the material provided by the Bidder, in their submission.

(b) The following scoring matrix has been developed to assist in the evaluation of Proposals:

(i)

Score	Description
0	No Response
1	Unsatisfactory
2	Poor
3	Ability Questionable
4	Marginal
5	Satisfactory – Meets Minimum Requirements
6	Fair – Meets Virtually All Requirements
7	Good
8	Very Good
9	Excellent
10	Outstanding

CEO PARTICIPATION IN AN EVALUATION COMMITTEE

General practice is that the President and CEO of Metrolinx is not a member of evaluation committees for individual projects. However, in the rare case that he/she is an evaluation committee member, questions which arise during the tender process that would normally require the input of the CEO will be directed to the Chair of the Audit Committee.

FAILED PROCESS

A Procurement process is considered failed upon occurrence of one of the following events:

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- The lowest Compliant Bid received during a Competitive Procurement Process substantially exceeds the project budget;
- All of the Bids received during a Competitive Procurement Process are Non-Responsive; or
- None of the submissions received for an RFP or RQQ achieve the required minimum score to be considered further.

When a process is determined to have failed, it shall be cancelled and one of the following options shall be used to acquire the required goods or services:

- The scope of Work shall be revised and a new Competitive Bidding Process initiated. The estimated value of the Work must be revised by at least 15%;
- A new Competitive Bidding Process for the Work can be initiated, without revision, after a period of one year has elapsed from the original date of issue of the original process; or;
- Enter into direct negotiation with one of the Bidders.

In the event the direct negotiation option is selected, the Bidder to be negotiated with, will be selected as follows:

- In the event the lowest Compliant Bid exceeds the project budget, Metrolinx will negotiate with the Bidder who submitted the lowest Compliant Bid.
- In the event all Bids received are non-responsive, Metrolinx will negotiate with the Bidder who submitted the lowest price Bid.
- In the event none of the submissions received for an RFP and RQQ achieved the required minimum score to be considered further, Metrolinx will negotiate with Bidder that provided the highest scoring submission.

CANCELLATION OF PROCUREMENTS

It is sometimes necessary to cancel a Procurement before Award of a Contract or PO. This is a last resort and is usually contemplated when completing the Procurement process will create a more significant problem than cancelling it. Metrolinx Executive Team advice/approval must be sought before any cancellation of a publicly advertised Procurement. Typical causes are:

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- No Bids received;
- The Work is no longer required;
- The scope of Work has significantly changed;
- Prices received are substantially higher than budgeted;
- Executive/political direction;
- No interested Bidders identified;
- Funding becomes unavailable;
- Negative conditions revealed by the Procurement process, e.g. no Bidder;
- Bidder(s) can't meet insurance requirements; and
- Procurement process compromised, exposing Metrolinx to legal risk.

If this situation is encountered before the Closing Date & Time, it is usually possible to salvage the Procurement by issuing an Addendum addressing the new situation. Each situation must be assessed individually and it is preferable to terminate a tainted or confused process and start fresh.

NOTIFICATION OF NON-RESPONSIVENESS

PCS will advise each Non-Responsive Bidder, in writing, of the reason for the Non-Responsiveness and that the submission will not be considered. Non-Responsive submissions will not be returned to the Bidder and will remain in the Procurement file.

BIDDER DEBRIEFING

Bidder Debriefing's are only provided for Competitive Bidding Processes that are not awarded solely on price, such as the RQQ and the RFP, and also for prequalifications (SQ).

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. This debriefing session can be held by conference call or in person as

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agreed upon between PCS and the Client. The meeting will be facilitated by PCS and the Client will be responsible to conduct the debriefing on behalf of the Evaluation Committee. Information to be revealed during the debriefing process will be governed by industry best practices, applicable public sector guidelines and Freedom of Information (FOI) provisions. Bidder Debriefing sessions will only be held after final execution of the Contract with the successful Bidder.

Information which can be provided includes:

- the number of Quotations/Proposals received;
- the number of Quotation/Proposals that passed the minimum threshold required to have the price envelope opened and evaluated;
- the name of the successful Vendor(s);
- the awarded total Contract price;
- the total scores of all Compliant Bids (without the names of the associated Bidders);
- where the firm being debriefed placed in the overall rankings; and
- the total scores of the individual evaluation criteria of the firm being debriefed.

No other information about any other Bid or Bidder will be revealed to any outside party. A reasonable attempt should be made to explain the rationale for scoring if challenged by the Bidder. If the Bidder requests additional information about the Procurement that is not commonly released, they are advised of their option to make an application for release of the information under the *Freedom of Information and Protection of Privacy Act*.

VENDOR COMPLAINT PROCESS / BID PROTESTS

Complaints by Bidders should be resolved as quickly as possible. Verbal complaints are answered verbally by PCS staff and followed up by a memo to file completed by PCS staff member who is responding to the complaint. Written complaints are to be answered verbally first and then in writing with reference to both the written complaint and the verbal response. The important thing is to clearly identify what the Bidder's complaint is. Mere expressions of dissatisfaction are not sufficient to elicit a response. Metrolinx's response will be to directly address the specific issue identified by the Bidder. PCS Management will personally respond to written Bidder complaints, following consultation with Legal Services.

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CLIENT APPROVAL OF AWARD

Each type of Procurement requires that the Client give its authorization for PCS to commit Metrolinx to a purchase from a particular Bidder.

For Procurements of less than $50,000, this authorization is in the form of an electronic signature in PCS^3 on the Requisition. Where there is a formal Competitive Procurement process, the authorization will be the Contract Award Recommendation form, by the appropriate signing authority, in the form of an electronic signature in PCS^3. This form will be forwarded via PCS^3 to the Client, by PCS, after the official opening of Bids and will list the Bids received and the verified prices. PCS staff will first conduct an Administrative Review of all submissions received to ensure they are Compliant Bids in conformance with the Procurement process.

The Client will recommend the Bidder to be awarded the Procurement in the Tender Authorization module of PCS^3.

In the case of Procurements needing Board approval, the Tender Authorization will be complete after Board Approval and will note the date of the meeting, meeting number and item number, as required by the Approval Authorization Policy. The electronic authorization on the form indicates that the signer verifies the Board approval information and as a minimum, the approval will be that of the Cost Centre Manager from the respective branch.

Only submissions determined by the PCS staff to be Compliant Bids will be forwarded to the Client for review and evaluation.

BOARD APPROVAL

Legal staff responsible for assembly of the Board package will supply the Director Administration and Contract Services with an advance copy of the individual Board submissions of any Procurement on the upcoming Board agenda. This will ensure that the Director has an opportunity to review any Procurement issues before they are exposed to the Board.

CONTRACT SPLITTING

A Procurement must be awarded for the full amount of the Bid, unless the initiating Procurement Documents are designed with the intention to separate portions of the work, to be awarded to more than one Bidder. In cases where split awards are anticipated or contemplated, the pricing section of the Procurement documentation must be arranged in a

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manner to clearly divide the work into separate quantities, elements, or items, with separate prices for each. The method of evaluating split awards must also be stated in the Procurement documentation. Splitting a matter into a number of smaller Contracts for the purpose of evading Procurement controls, or the duration of the assignment(s), or for the purpose of exceeding Contract approval authority limits is not permitted.

AWARD OF OPTIONS

Options are items in a Procurement that are related to, but in addition to the Work being procured. The concept is that if a Bid is accepted, the option may be purchased as well but only if the Client needs it during the course of the Contract and/or the price is acceptable.

When option pricing is requested, the Procurement Documents must clearly state the Specification and quantity and how the option and option price will factor into the evaluation for Award.

The essential differences between an option and an alternate Bid are that options are additions to a Procurement for which prices have been requested and that can be chosen. Alternate Bids offer a different product or service in order to do the same Work, but may not have been solicited and therefore cannot be considered.

VENDOR FAILS TO EXECUTE

If a Vendor refuses to execute a Contract or accept a PO that resulted from a competitive Procurement, the failure to execute or accept will be noted in a letter to the Vendor and the Vendor will be deemed a De-certified Vendor. Any Bid Security will be retained and used to offset any increase in price that results from Awarding a subsequent Contract or PO to the next highest Bidder.

NEGOTIATED CONTRACT PROCESS

The process of negotiating a Contract is as follows:

- A Metrolinx Requisition (type "Contract Number Request" is completed in PCS^3 by the Client, including the Estimated Total Contract cost and the Single/Restricted Source Justification form, containing the appropriate and defendable justification for not using a Competitive Procurement Process. The Requisition must be approved by the Control Approval level appropriate for the dollar value of the Contract.

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- PCS will issue an "NC" Procurement number and create an official file for the Procurement.

- PCS will provide the Vendor with a standard Contract template and a Scope of Work prior to negotiating/receiving a quote.

- The Client will nominate a negotiating team, which must have at least two persons, one of whom cannot be a subordinate of the other in the same cost centre. One person will be the Chairperson who will be responsible for documentation. Legal Services typically participates as a member of the negotiation team for material Procurements.

The Team will draft a brief written negotiation strategy listing as a minimum:

- The maximum price;

- Project timing;

- Description of the project and main objectives;

- The form of Contact to be used;

- Insurance & indemnification requirements, if any;

- Mandatory objectives (must have);

- Optional objectives (should have)

- Dispensable objectives (desirable to have);

- Written terms of reference/Specification;

- Limits of authority to commit to a deal.

The minutes of the meeting(s) will be taken, which record the status of various issues at the end of a negotiation session. The minutes will be distributed to all parties and the Procurement file.

The Chairperson will write to the Vendor at significant stages of the negotiations confirming the status of the deal and outstanding issues. This will be done, as a minimum, after the final concluding negotiation session. The process of negotiations shall be such that both parties understand clearly what is being agreed upon and confirm their understanding progressively, so when the Contract documents are prepared, there are no issues to settle.

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Any Consulting Services Agreements to be negotiated and awarded on a non-competitive basis must receive prior approvals as described in Section PCS-0201-04.

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CONTRACT & PO CHANGES AFTER AWARD

There are two (2) accepted methods of altering Contracts after Award:

- Change Orders (completed and issued by the Client Project Manager)

  These changes are only conducted by the Client group in Civil Construction Contracts, and other unique Procurements, as approved by the PCS Management, where the logistics of the approval process and the cost of delays, which may be caused by use of a formal Amendment, necessitate a Client driven process. All such Change Orders are subject to review and audit by PCS.

- Amendments (completed and issued by PCS)

Note: Negotiations leading to Amendments of Snow & Ice Control Contracts are the responsibility of Senior Station Operations staff. As part of their Contract administration responsibilities, under the guidance of PCS, Senior Station Operations staff will negotiate changes to the scope of Work and Contract prices, as required. All such negotiations will be based on the terms and conditions and/or amending formulae contained in the Contract.

PO's are amended by issuing an Extension to the existing PO.

Changes that alter the time frame or other non-cost items only and not the cost, require the Cost Centre Manager's approval. Changes affecting cost are governed by the corporate Approval Authorization Policy. All Amendments are initiated by a fully authorized Requisition in PCS^3 containing the full amount of the cost increase.

CANCELLATION AFTER AWARD

The Contract Document must be reviewed to determine if there are cancellation provisions and/or default clauses in the General Conditions. If there is any uncertainty, Legal Services must be consulted in each case. Low value Procurements of commodities that are stock items and not ordered in, or made to order, can generally be cancelled without a cost to Metrolinx. High value Contracts and service Contracts require a careful review of the options before cancellation.

Cancellation for default on the part of the Vendor requires that a comprehensive written record exists regarding the default and must include written notices to the Vendor informing them of the events of default. Default is usually a progressive condition where the initial default has no severe effect, but is not rectified by the Vendor and subsequent defaults also remain not totally resolved. In the end, there is an established history of non-performance

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by the Vendor and a record of Notices from Metrolinx requesting remedies, which are not fully implemented.

Vendors who are in default must be notified in writing that they are not qualified to Bid on Metrolinx work as outlined in VENDOR DE-CERTIFICATION section.

RESPONSIBILITY AFTER AWARD

PCS is responsible for co-ordinating the process of Procurement up to and including creating and executing the Contract. After that point, the Client is responsible for managing the Contract, receiving the goods or services and resolving problems. PCS must be consulted when Contract Amendments, Changes, or Cancellations are contemplated.

DISPUTES

The key factor when disputes arise is the expeditious handling of the disagreement. This is particularly important because prolonged disputes can delay performance as defined in the Contract and payment to the Vendor.

All disputes and dispute resolution must be addressed in accordance with the provisions of the General Conditions of the Contract.

In a Contract dispute, the decisions made by Metrolinx after the Contract has been awarded, are challengeable in court. It is important that Legal Services be consulted and the actions of Metrolinx and its decisions on a Vendor's claim be defensible in court. Items in dispute must be documented in detail by the Client.

NEGOTIATIONS

Efforts should be made to resolve disputes as they arise, first by negotiating with the Vendor. This can be through discussion between representatives of the Vendor and the Client Group, or by a more formal review established by Metrolinx. Systems should be in place to ensure:

- Prompt attention is given to disputes;
- Unresolved disputes are brought forward quickly to a senior level in the department for decision, and;
- The decision is quickly communicated to the Vendor, so that the Vendor may take further action, if so desired.

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MEDIATION

When a dispute has not been resolved by negotiation, mediation by a third party may be used when it is acceptable to both sides or there are provisions and/or mediation clauses in the General Conditions. Mediation should conform to the following principles as may be further defined in the Contract document:

- It should be voluntary on the part of Metrolinx and the Vendor with respect to entry into mediation, unless there are provisions and/or mediation clauses in the General Conditions and there must be mutual agreement on the selection of a mediator and acceptance of the mediator's recommendations;
- The powers of the mediator should be limited to persuasion and cannot include adjudication, and;
- The costs of mediation should be shared equally by both parties.

ARBITRATION

Arbitration that is binding on both parties is an alternative to litigation, provided that both the Vendor and Metrolinx agree to it. The Agreement to allow for its use is normally inserted into Metrolinx Contracts at the outset, although it may be negotiated between the parties at the time a dispute arises.

LITIGATION

Matters referred to arbitration are not then subject to litigation unless the arbitration was defective in form or content. Where Metrolinx decides that litigation should take place, Legal Services assumes responsibility for subsequent action.

NON-PERFORMANCE OF A VENDOR/CONTRACTOR

The initiating Client group for a particular Procurement is responsible for tracking non-performance of a Vendor/Contractor, as part of their ongoing Contract management responsibilities. Details of the standard process for dealing with delinquent Vendors can be found in the next section, VENDOR DE-CERTIFICATION.

In the case of impending or actual bankruptcy of a Vendor, PCS will contact internal Legal Services to ensure that any proposed action will not prejudice Metrolinx's legal position.

When a defaulting Vendor/Contractor has provided financial security in the form of a Performance Bond, or Labour & Material Payment Bond, the bonding company becomes

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liable, up to the amount of and in accordance with the terms and conditions of the bond. In the case of a Performance Bond, the bonding company's liability is only to Metrolinx. Under a Labour & Material Payment Bond, claims may be made on the bonding company by all those who have a direct Contract with the principal Vendor/Contractor, or a sub-Contractor, for the supply of labour, material and/or services.

When the Contract of a defaulting Vendor/Contractor is secured by Surety Bonds, the bonding company:

- When acting under the Performance Bond, should be paid all amounts to which the Contractor would be entitled under the terms of the Contract for completion of the work, and;

- When acting under the Labour & Material Payments Bond, should not be reimbursed for the payment of creditors from any remaining Contract funds held by Metrolinx until after the work is substantially complete and the surety has fully discharged its obligations under the Performance bond.

In the case of bankruptcy, the claims of the Trustee in Bankruptcy for any amounts due and payable by Metrolinx to the Vendor/Contractor at the date of its bankruptcy are subject to the above conditions.

Legal Services will follow closely any bankruptcy proceedings involving Vendors/ Contractors with whom Metrolinx is involved, promptly submit any claims to the trustee and ensure these are acknowledged.

If a Vendor/Contractor must be removed from a job on account of bankruptcy or other default, action should be taken under the appropriate terms of the Contract. If the Contract is secured by surety Bonds, the Contract itself should not be terminated, because this would also terminate the existing Contractual relationship with the bonding company.

When the Contract of a defaulting Vendor/Contractor is secured by cash or a cash equivalent (i.e., letter of credit, certified cheque, bank draft, etc.), Metrolinx shall cash the instrument and the funds shall be used to obtain the services of another Vendor/Contractor to complete the work and offset the difference between what the new Vendor/Contractor charges to perform the work and the Bid price of the defaulting Vendor/Contractor. Any remaining funds will be returned to the defaulting Vendor/Contractor with an accounting of the expenditure of the liquidated security.

Metrolinx should obtain a fair reduction in the Contract Price for less-than-specified performance.

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VENDOR DE-CERTIFICATION

Vendors who fail to execute a Contract or accept a Purchase Order after successfully participating in a Competitive Procurement Process, or Vendors who are in default of a Contract or PO will be De-certified from participating in subsequent Procurements for a period of twelve (12) months. The Vendor may, at the conclusion of the period, apply to Metrolinx to be re-certified to participate in Procurements.

The Client who is managing the Work of a problem Vendor is responsible for initiating the De-certification process by writing to PCS and outlining the reasons for doing so. Before PCS will suspend a company's Bidding rights, documented evidence is required which demonstrates that progressive steps have been taken to correct a Vendor's poor performance and that they have not corrected it satisfactorily.

Typically the following is required of progressive action:

Verbal - The Client will call the Vendor and advise them of specific problems/Contract deviations and give specific corrective action to be taken (Project Manager should make notes of dates, times, discussions etc)

Written - If verbal contact is unsuccessful, the Client should formalize Contract deviations and concerns in writing to the Vendor stating a firm date for a written response and copy the Manager PCS.

If the written action does not provide satisfactory result, then PCS will consult Legal Services, if required, prior to taking any action. As typically specified in Appendix "A" of the Contract documents, the Contractor should be declared in default and removed from the Work, prior to notification of de-certification. De-certified Vendors will be notified in writing by PCS Management of their De-certification with a brief description of the reasons, the commencement date and expiry date of the De-certification period. De-certified Vendors will be given a debriefing regarding their disqualification if they request it.

A file of currently De-certified Vendors will be maintained by PCS.

VENDOR RE-CERTIFICATION

After the period of De-certification has expired, the De-certified Vendor must initiate a request to be re-certified to participate in Metrolinx Procurements. The process is as follows:

1. The Vendor requests in writing to be re-certified;

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2. PCS Management responds in writing, outlines the process and supplies the Contractor Qualification Statement and Occupational Health & Safety Performance Record forms to be completed by the Vendor;

3. The Client who initiated the de-certification of the Vendor reviews the forms submitted by the Vendor and investigates performance and references. If not satisfactory, PCS will inform the Vendor, in writing, of the continued De-certification. If satisfactory, proceed to the next step;

4. The Client group and PCS interview the Vendor. Discussions will surround the events of the De-certification and assurances will be sought that steps have been taken by the Vendor to prevent a reoccurrence of the previous situation.

5. PCS writes to the Vendor, notifying them of their re-certification and detailing the nature and scope of future work that they can Bid on.

6. If the Vendor Bids on and is awarded a Contract(s), their performance is closely monitored for a period of one year and reported to PCS.

7. The Vendor is notified in writing of the reported results. If the results are uncertain, the re-certification period would normally be extended. If the results are unsatisfactory, the Vendor's Bidding rights would be revoked for another twelve (12) month period. If satisfactory, expanded Bidding rights would be granted, or full Bidding rights may be restored.

EMPLOYER/EMPLOYEE RELATIONSHIPS

There is no statutory definition of "employment" in the Public Service, therefore, it is necessary to rely on the common law tests used by the courts to determine that an employer-employee relationship as distinct from a relationship between Metrolinx and an independent Vendor exists. It is virtually impossible to lay down any general rules that apply uniformly and without exception. Each and every relationship is to be individually assessed and an attempt made to estimate the way the court is likely to apply the various tests. A long-standing common law ruling states that "a servant is an agent who works under the supervision and direction of his employer; an independent Contractor is one who is his own master". This judgement, made by Sir Henry Alfred McCardie (1869-1933), an English judge, has been used by Canadian courts in similar cases.

It is necessary for PCS to be satisfied that an employer-employee relationship will not result from a Contracted service. A service Contract, which is initially sound, should not develop, over a period of time, into a work situation that would constitute an employer-employee relationship.

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Three (3) factors affect the determination of an employer-employee relationship. They are:

- The intent of the parties to the Contract;
- The Contract documents, and;
- The actual work situation.

It should be evident at the outset of a proposed Contract for services that Metrolinx and the Contractor do not intend to form an employer-employee relationship.

The Contract documents should not suggest that an employer-employee relationship is contemplated. No reference should be made to those elements usually found in employment situations, such as place of work, hours of work, benefits such as rest periods and higher remuneration for longer periods of duty.

The most sensitive factor is the actual work situation. Managers should ensure that Contracts with individuals do not evolve into employer-employee relationships in a work situation, even when the intention and documentation requirements are met.

If a Contract situation is challenged as an employer-employee relationship, final determination will rest with the courts.

CONTRACT OF SERVICE

An employer-employee relationship exists when the employer can specify when, where, how and under what conditions the work will be performed. A Contract of service normally contemplates “servants” putting their personal services at the disposal of the “master” for a period of time rather than the accomplishment of a specified amount of work.

CONTRACT FOR SERVICES

A Contract for services exists when an individual is retained to achieve a prescribed objective with no day-to-day supervision by Metrolinx. The Contractor has the latitude of how to achieve a specified amount of work. A Contract for services is therefore acceptable.

DETERMINATION OF EMPLOYER-EMPLOYEE RELATIONSHIP

The following criteria should be used as a guide for determining whether an employer-employee relationship exists. Their importance varies according to the nature of the Contract and evolving court interpretations. If one or more of the following conditions exists, there may be an employer-employee relationship:

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- Metrolinx exercises supervisory control (as distinct from inspection of work) over the Contractor(s), not only over achieving the objective, but also over how the work is carried out;
- Metrolinx has the authority to discipline the Contractor's workers;
- Metrolinx is responsible for furnishing the tools, facilities or material needed to perform the work;
- Contractors have no opportunity to profit and are not exposed to any risk of loss resulting from performance of the work;
- Contractor's have no opportunity or authority to sub-Contract or hire other persons;
- The people under Contract are engaged as part and parcel of the organization and the work being performed is an integral part of the work of the organization; the work is comparable to work being carried out by Metrolinx employees; or the work can be described as rendering a personal service;
- Payment is made on the basis of time and is paid at regular intervals; or payment is made directly to individuals, or to the Contractor's workers and deductions are made by Metrolinx for taxes, pensions and other benefits;
- Provision is made for holidays or holiday pay, or sickness or injury;

Because Contracts for the services of individuals are particularly susceptible to employer-employee relationships, PCS will seek the advice of Legal Services and the Human Resources department, as required, to ensure that there is no possibility of an employer-employee relationship arising during the course of a Contract.

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PCS^3

PCS^3 is the third version of the Procurement and Contract System software which was developed as an in-house computer application, and it is used by Clients throughout Metrolinx for the initiation and tracking of various Procurement activities and by PCS staff for the issue and administration of all PO and Contract documents and activities. Through the use of the Corporate Authorization Module (CAM) and the internal e-mail system, initiation and authorization of many Procurement forms are accomplished in an electronic format.

The PCS^3 system was designed as an electronic model of the existing document and work flow process in order to remain familiar, while utilizing Metrolinx's computer network to improve efficiency and communication of vital information to all parties at all stages of the process.

The system is composed of several basic Modules as follows:

VENDOR/PRODUCTS MODULE

This database is maintained by PCS and is the list of Vendors who have either registered with, Bid on work for, or have previously been assigned a Contract by Metrolinx. It provides information about their company name, location, contact information and types of products and services provided. This information can then be used in the Requisitioning stage to identify potential Bidders.

REQUISITION MODULE

This module is modeled after the manual paper Requisition document formerly used by GO Transit and contains several tabs which allow for the entry of information for the initiation and electronic approval of requests for Procurement action. Using a computer on the Metrolinx network, equipped with the PCS^3 software, information with regards to the initiating branch, project manager, accounting code, estimated cost, recommended Bidders, delivery dates/locations and specific product/service requirements can be entered. Through automated e-mail notification and approval routing, the electronic Requisition is received in the PCS department for assignment to staff for appropriate Procurement action. Clients can monitor the status of Requisitions at all stages of the process.

PURCHASE ORDER MODULE

This module is modeled after the paper Purchase Order document formerly used by GO Transit and is used by PCS to directly import information from the Requisition module in order to expedite the creation of Purchase Orders and minimize data entry errors. Again, using automated e-mail notification and approval routing, Purchase Orders can be

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processed in a timely manner and printed for issue to Vendors as required. PO information is uploaded daily to the corporate finance and expenditure system for the purposes of identifying cost centre commitments. Clients can track the status of Purchase Orders at all stages of the process.

TENDER/CONTRACT MODULES

These modules are used to generate process numbers to take a Requisition through a formal Competitive Procurement Process up to and including Award of the Contract through a Contract or a PO. Information with regards to Site Visits, Closing Dates and Times, Addenda, Bids received, Contractor information, contact, start and finish dates, Contract value and Contract Amendments are also recorded. Clients using PCS^3 can track the status of Competitive Bidding Processes and Contracts at all stages of the process. Contract information is uploaded daily to the corporate finance and expenditure system for the purposes of identifying cost centre commitments.

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REPORTING PROCEDURES

The PCS office produces two monthly reports for internal review and information, both of which are compiled into quarterly reports for the Finance, Audit & Risk Management Committee of the Board. PCS also produces one other unique quarterly report for the Finance, Audit & Risk Management Committee of the Board.

PROCUREMENT ACTIVITY SUMMARY

Distributed monthly to the Director Administration and Contract Services and Manager Procurement – Operations & Administration, and repackaged as a quarterly report for the Finance, Audit & Risk Management Committee of the Board, this summary includes the following information:

- Requisitions processed;
- PO's produced;
- Total PO values;
- RFI, SQ, IT, PT, RFQ, RFS, RQQ and RFP documents issued;
- Competitive Bidding Process numbers issued;
- Purchasing Card transactions conducted;
- Total value of Purchasing Card transactions;
- Site Meetings conducted;
- Negotiated Contracts completed;
- Tendered Contracts completed;
- Total Number of Active Competitive Bidding Processes;
- Total Contract values.

PROCUREMENT SUMMARY

PCS reports monthly on all goods and services procured, with a value greater than $500,000 and less than $10,000,000. All Procurements with a value greater than $10,000,000 are directed to the Board for Approval. This report is repackaged as a quarterly report for the Finance, Audit & Risk Management Committee of the Board.

NON-COMPETITIVE AND NON-BUDGETED PROCUREMENT SUMMARY

In accordance with Procurement Policy, PCS reports quarterly to the Finance, Audit & Risk Management Committee of the Board on all non-competitive and non-budgeted Procurements with a value in excess of $2,000,000.

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CONTRACT & PO DISTRIBUTION

Hard copies of PO's, for Procurements having a value of less than $10,000, will not be sent to Vendors unless they specifically request it, in which case a copy will be sent by facsimile. PCS will not distribute copies of PO's internally. If hard copies are required the Client must generate one from PCS[3].

BRING FORWARDS

PCS staff will maintain a date sensitive list detailing Contractual documentation, which is set to expire and must either be formally cancelled, renewed or replaced. Examples of Bring Forward items are:

- Contract option year renewal/cancellation
- Insurance
- Bonding
- Workers Safety & Insurance Certificates
- Blanket Agreements/Term Contracts
- Contract completion date

Bring forwards will be reviewed sixty (60) days in advance of each event and appropriate notice, letters and requests will be made well in advance of the particular date sensitive requirement.

RECORDS MAINTENANCE

Submissions for all Procurements and original Procurement Documents are important legal documents that must be maintained in their original state and stored under secure conditions for the retention period established by the Metrolinx Records Office.

PO hard copy originals and Tender file documentation are maintained in locked files in the PCS office for one year plus current, or until one year after Contract period has expired. The files are then transferred to the Records Office for archiving for an additional period of seven (7) years.

Unsuccessful bids are retained for one year plus current, with the exception of RFP's and RQQ's. One copy of all unsuccessful RFP and RQQ submissions are retained for the full archiving period.

Documents to be maintained in the Procurement files include, but are not limited to the following:

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- Requisition;
- Specification/original document (includes Quotations/Form of Tender/Tender & Acceptance);
- Drawings;
- Site meeting record sheets;
- Addendum/Addenda;
- Record of Tender Opening attendance sheet;
- Administrative Review and memo to Client;
- Notice of cheque release;
- Award and regret letters;
- Copy of Purchase Order;
- Time stamped portion of envelope;
- Notes to file.

Documents to be forwarded to Records Management for inclusion in the Central/Legal files may include, but are not limited to the following:

- Signed Contract/Agreement;
- Document Execution Control Sheet;
- Insurance;
- WSIB Clearance Certificate;
- Award letter and additional correspondence with successful Bidder;
- Copy of Bidders lists;
- Successful bid for all RFQ/RFP/RQQ;
- Signed Record of Tender Opening form;
- Performance/Labour & Material Payment Bonds;
- Contract Amendments;
- Purchase Order.

RELEASE OF ORIGINAL DOCUMENTS

The control of original submissions to Procurements is critical to the integrity of the Procurement system and the PCS mandate, as these documents are the key evidence in disputes with Bidders. It is mandatory that systematic, stringent controls be in place to ensure originals are released only to PCS or Legal staff, either through Legal Services when on a legal file, through the Records Office when archived, or from PCS files when current. Copies of submissions can be released to Clients, or others as appropriate, after award, or after execution of the Contract.

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BOND & CERTIFICATE STORAGE

All original Bonds of all types, letters of credit, and other forms of surety resulting from a Procurement, including insurance and other certificates, will be stored under high security, in the Legal Office, until the completion of a Contract, or the end of a related warranty period, as appropriate.

BOND & CERTIFICATE RENEWALS

Bonds, other surety instruments and certificates, including insurance, that expire during the term of a Contract, will be tracked by bring forward file systems that will notify PCS of the impending expiry. PCS will arrange for new instruments to be provided prior to expiry of those being held.

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SERVICES

Corporate Programs controlled by PCS include the Purchasing Card Program, the Assets Disposal Program and the Uniform and Work Clothing Program, which includes Protective Footwear.

PCS SERVICES

In addition to Procurement activities, PCS will provide the following services for the Corporation, not otherwise described in this policy, on an ongoing basis:

- Stationery and office supplies for Head Office;
- Uniform and Work Clothing Contracts;
- Purchasing Card Contract;
- Utility Contracts (miscellaneous);
- Customs and duty costs (miscellaneous);
- Tender & Contract document printing;

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PROGRAM OVERVIEW

The Purchasing Card Program is designed to streamline Metrolinx's purchasing methods to better support the organization operating needs, without eroding good business practices or circumventing internal controls.

THE PURCHASING CARD

The Purchasing Card is a credit card (issued in the name of the employee), which in turn is a mechanism for acquiring and paying for specific low dollar value goods and services. Although the card is issued in the name of the employee, Metrolinx is liable for all expenditures made on the card. By using the card, Metrolinx will be able to replace existing multiple Vendor Purchase Orders and payments with one payment to the card supplier. Benefits associated with using the Purchasing Card include:

- Reduced administrative costs of payables associated with low dollar value purchases;
- Improved cash flow and accounts receivable status for Vendors;
- Reduced administrative costs associated with Purchase Orders for low dollar value purchases;
- Simplified and more accessible purchasing processes for employees. The Purchasing Card must be used for low dollar value purchases, wherever appropriate.

DEFINITIONS

BILLING DATE

The date appearing on the statement of account prepared by the Card Supplier.

CARDHOLDER

A full-time employee of Metrolinx who has been approved by their Director and Manager to make low dollar value purchases on behalf of their department or branch by way of a Purchasing Card.

CARD SUPPLIER

An institution Contracted to provide Purchasing Card Services to Metrolinx.

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CORPORATE BUYER

A position in the Procurement & Contract Services division of the Administration and Contract Services directorate.

DELINQUENT ACCOUNT

The term applied to an overdue amount, which has not been paid in full within twenty-five (25) days of the billing date.

EMPLOYEE

A full-time Metrolinx employee, as defined in the Corporate Human Resources Policies and Procedures.

EXPIRY DATE

This date is programmed into the Purchasing Card and specifies when the card becomes invalid and/or is scheduled for replacement.

LATE PAYMENT PENALTY

When an account has been outstanding for more than twenty-five (25) days, a late payment penalty will be levied on the delinquent account.

LOW DOLLAR VALUE PURCHASES

Low dollar value purchases are $2,500 or less (including all applicable taxes). Higher transaction limits are only available to Metrolinx Corporate Buyers, or others as approved at the sole discretion of PCS Management.

MERCHANT CATEGORY CODES

A code number is assigned to each Vendor by its own financial institution. The codes are used to control the acquisition and payment of goods and services when the card is used. The codes are used as a restricting measure to limit the use of cards to valid Vendors who are identified as selling goods and services, which the employee is authorized to purchase. The codes are blocked or unblocked on a corporate basis by the Card Supplier at the request of the Purchasing Card Coordinator.

PURCHASING CARD COORDINATOR

The individual(s) designated by the Manager Procurement – Operations & Administration to act as a liaison between employees and the Card Supplier.

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PAYMENT

Date for the Purchasing Card Payment is due within twenty-five (25) days of the billing date.

PURCHASING CARD

A Credit Card issued by a Card Supplier to Metrolinx employees identified by each department. The card is to be used for the payment of low dollar value purchases as defined herein.

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APPLICATION TO OBTAIN A PURCHASING CARD

The applicant requesting the card must submit a completed Purchasing Card Application (0474), approved by the individual who has the authority to approve requisitions, purchases and payment (e.g., the applicant's Director, Manager, etc.) to PCS. This application is, in essence, a formal delegation of a Cost Centre Manager's signing authority, to a member of their staff, to conduct Low Dollar Value Procurements on behalf of their Cost Centre.

PCS approves and processes all requests for a Purchasing Card. For administrative purposes, all requests are processed through the Purchasing Card Coordinator, who retains the requests in a permanent file.

Applicants who receive a Purchasing Card (the "Cardholder") must pick up the issued Purchasing Card from the Purchasing Card Coordinator and must sign on the back upon receipt. The Cardholder is also required to sign a Restrictions, Obligations and Responsibilities - Employee Acknowledgement Form (0475) stating the Purchasing Card was received and will only be used for authorized Metrolinx business related purchases. If the applicant is a new Cardholder, training on the use of, and administrative requirements of the Purchasing Card will be provided by the Purchasing Card Coordinator.

PROCESS FOR USING A PURCHASING CARD

Purchasing Cards are issued to Employees who are approved by the Director and Manager of the specific department and the Purchasing Card Coordinator. Specific parameters for each authorized card such as dollar limit per transaction ($2,500 maximum, including all applicable taxes), credit limit per day ($5,000 maximum including all applicable taxes), credit limit per month ($25,000 maximum, including all applicable taxes), expiry date, cost centre that will be charged for purchases and purchasing restrictions are determined by the Purchasing Card Co-ordinator and by PCS policy. The Card contains the Cardholder's name, Metrolinx's name, logo and expiry date.

The process for using the Purchasing Card is as follows:

- When a purchase is required, the Cardholder contacts the Vendor (in person, via telephone or via the Internet) and buys the item(s) (up to the predetermined transaction limit) using the card.
- The Cardholder files the receipt, if the transaction was done in person, in the location as determined by the branch.
- The Cardholder must instruct the Vendor to mark "**PAID BY VISA**" and to indicate the Cardholder's name on any invoices that will be sent to the Cardholder.

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- The Vendor is paid within forty-eight (48) hours by the Card Supplier.
- At the end of each month, the Card Supplier sends a consolidated monthly summary statement to Metrolinx with itemized reports of all purchases made by the various Cardholders. The reports show a list of all Metrolinx purchases, Vendors and the amount of each purchase, broken down by Cardholder.
- At the end of each month, the Cardholder, or designated individual, completes the transaction log for that month's Purchasing Card transactions.
- Each Cardholder will receive a monthly card statement to reconcile expenditures made on their card.
- Metrolinx issues one payment to the Card Supplier for all purchases made that month.

PURCHASING CARD RESTRICTIONS AND CONDITIONS

The Purchasing Card may only be used for low dollar value purchases of Metrolinx business related items. Transactions must be $2,500 or less (Buyers $5,000 or less) including all applicable taxes.

Under no circumstances will the Purchasing Card be used to circumvent Metrolinx Procurement & Contract Services Policies and Procedures. Larger purchases must not be broken into smaller purchases (transaction splitting) in order to meet the transaction limit. The Purchasing Card must not be used for travel-related expenses (except booking and paying for flights), payment of salary and wages, entertainment, personal purchases, cash advances, for procuring goods and/or services which require special approval or WHMIS "controlled" materials/chemicals such as paints, solvents, etc. (unless it is an approved product on the corporate MSDS database) and shall not be used when the cost of goods and/or services would be significantly increased and/or alternative methods of Procurement are available (e.g., Systems Contract or Paperless Contract). Use of the Purchasing Card is allowed where a Blanket Agreement is already in place when discounts received through the Blanket Agreement are also available when using the Purchasing Card.

Purchasing Cards are not transferable between Employees. Only the named Cardholder may use or sign for purchases made with their Purchasing Card.

Unauthorized use of the Purchasing Card can be considered misappropriation of funds and could result in disciplinary action up to and including termination of employment. Metrolinx reserves the right to recover misappropriated funds through payroll deduction.

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PURCHASING CARD LIMITS

EMPLOYEE

Transaction Limit	$2,500
Daily Limit	$5,000
Monthly Limit	$25,000

CORPORATE BUYER

Transaction Limit	$5,000
Daily Limit	$10,000
Monthly Limit	$50,000

MANAGER PCS/PURCHASING AGENT

Transaction Limit	$100,000
Daily Limit	N/A
Monthly Limit	N/A

RESPONSIBILITIES

PURCHASING CARD COORDINATOR

The Coordinator will be accountable for managing the use of all Purchasing Cards within Metrolinx. Key responsibilities of the Coordinator include:

- Processes new Cardholder accounts, and sets up permanent files to be stored in Procurement and Contract Services.
- Ensuring that Cardholders are familiar with and understand all policies and procedures concerning Purchasing Card use.
- Working with Directors/Managers to rectify situations where there are policy and/or Contractual violations, especially with regard to:
  - suspicious transactions
  - disputed charges
  - erroneous charges
  - travel-related charges
  - personal expenses

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- Providing a general liaison role between Cardholders and the Card Supplier, including necessary actions on disputed charges, lost or stolen cards and the issuance of new cards to designated employees.

- Maintaining accurate records of the current status of all Cardholders within Metrolinx.

- Receiving the Management Information Reports from the Card Supplier for review, audit, including analysis of the Declined Authorization Report.

- At the request of the Cardholder's Director/ Manager, retrieving cards from Cardholders and, where necessary, cancelling or suspending cards due to:

  - card misuse
  - card no longer required
  - Employee leaving department or Metrolinx

- Requesting the Card Supplier to increase or lower the dollar transaction levels on specific Purchasing Cards, along with updating of relevant Merchant Category Codes (MCC), when in receipt of a duly authorized Corporate Purchasing Card General Changes Request Form.

- Notifying the Card Supplier when a card is cancelled or suspended.

- Retrieving expired cards from all Cardholders, ensuring their destruction, retaining destroyed cards and maintaining appropriate records of this process.

- Conducting quarterly audits (as a minimum), gathering and analyzing data on how, where and for what purpose the card was used.

MANAGEMENT

Key responsibilities of the Director/Manager of each Cardholder include:

- Authorizing which Employees are to receive Purchasing Cards and ensure Cardholders' cards are restricted to low dollar value transaction limits up to $2,500, daily limits up to $5,000, with a monthly credit limit of $25,000 (all limits including all applicable taxes).

- Determining the purchasing restrictions and conditions for each Cardholder, including:

  - dollar limit per transaction
  - credit limit per day
  - credit limit per month
  - expense code to be charged for purchases made on the individual Purchasing Card

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- billing and reporting hierarchy

- Ensuring the Cardholder understands the Purchasing Card process and restrictions and that the Purchasing Card is used for business-related expenses only.
- Ensuring proper record retention processes are implemented for audit purposes.
- Ensuring reconciliation and appropriateness of the credit card transactions by matching transaction reports with credit card receipts on a monthly basis for each Cardholder.
- Ensure that the Purchasing Card of an employee under suspension is returned by the employee immediately at the time of suspension and that the card is returned to the Purchasing Card Coordinator or the Manager Procurement – Operations & Administration for safekeeping until the end of any suspension.
- Ensuring that card cancellation and retrieval is part of the "exit" process for Cardholders leaving the department or leaving Metrolinx and ensuring that cards are returned to the Purchasing Card Coordinator or the Manager Procurement – Operations and Administration.
- Monitoring accounts to ensure that Cardholders are adhering to Procurement & Contract Services Policies and Procedures concerning card use especially with regard to personal and unauthorized use of the individual Purchasing Cards.
- Monitoring Purchasing Card expenditures to ensure the correct expense codes are charged with purchases made on Purchasing Cards and that adequate budgets are available for continued use of the individual Purchasing Cards.
- Ensuring budgets are available prior to purchase. *Should the Purchasing Card be used repeatedly when funds are not available, the Purchasing Card will be cancelled.*

CARDHOLDERS

Key responsibilities of the Cardholders include:

- Signing the Purchasing Card upon receipt.
- Ensuring the security of the Purchasing Card and the account number issued in his/her name and ensuring that no other person is able to use the card.
- Ensuring the proper use of the Purchasing Card.
- Ensuring the card is not used for personal or other restricted purchases.

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- Ensuring that all card charges are valid charges for goods and services accruing to the benefit of Metrolinx.
- Ensuring that any product designated as a hazardous material and requiring a Material Safety Data Sheet (MSDS) is either an approved product on the corporate MSDS database or has been approved by Metrolinx's Occupational Health and Safety Officer, using the Hazardous Materials Acquisition Form (0408), prior to purchase.
- Accounting for all Purchasing Card purchases with appropriate receipts and advising the Purchasing Card Coordinator of any disputed charges they are aware of on their monthly card statement.
- Completing an entry for each transaction on the transaction log, unless authorized by the Cost Centre Manager to submit all receipts and statements to a designated employee who will store Cardholder information and perform monthly reconciliations on behalf of the Cardholder.
- Immediately notifying the Finance Office of a card purchase of any moveable assets with a value of $1,000 or more so that an asset number can be assigned and an assets sticker affixed to the item.
- Immediately notifying the Card Supplier, Purchasing Card Coordinator and the Cardholder's Manager in the event that the Purchasing Card is lost, misplaced or stolen.
- Ensuring that any update/modifications to the Cardholder's name, address, transaction limit, etc. are made through the Purchasing Card Coordinator and accompanied by a Corporate Purchasing Card General Changes Request Form (0477) that is authorized by the Cardholders' Manager/Director.
- Immediately surrendering the card to their Director/Manager or the Purchasing Card Coordinator upon request, or when leaving the department/Metrolinx due to transfer, suspension or termination.
- Forwarding all original source documents (card statements, purchasing card logs, receipts and invoices) to Accounts Payable on a monthly basis and retaining a copy of such documents for audit purposes. Forwarding a copy of the reconciled Statement and Purchasing Card Log to the Purchasing Card Coordinator.
- In the event of temporary or permanent termination of employment, reconciling all charges on their card prior to departure.

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ACCOUNTS PAYABLE

- Processing of the consolidated monthly summary Purchasing Card statement for payment, charging the appropriate expense codes.
- Ensuring receipt of reconciled and authorized monthly statements from each Cardholder.
- Ensuring proper record retention processes are in place for audit purposes.

MONTHLY PAYMENT PROCEDURE

A monthly card statement for each card is mailed to the Cardholder. A consolidated monthly summary statement is sent to Accounts Payable for payment process.

The Cardholder must submit the monthly card statement along with the corresponding receipts and packing slips to the approving authority for their review and approval. The signature of the approving authority indicates that all charges for the Cardholder have been reviewed and approved, as being in compliance with Metrolinx Policies and Procedures. Copies of these documents must be kept on file at the local department level for two (2) years, for audit purposes. All original documents are to be forwarded monthly to Accounts Payable.

During the period of reconciliation, Accounts Payable, in coordination with PCS, will process the consolidated monthly summary statement for payment on behalf of Metrolinx. It is imperative that any discrepancies between the actual purchases and the monthly Cardholder's statement be reported to the Purchasing Card Coordinator, PCS The Purchasing Card Coordinator will act on behalf of Metrolinx to ensure that the Card Supplier rectifies any discrepancies.

The Metrolinx Purchasing Card payment system is described as an individual statement/central payment system. Each Cardholder receives a monthly activity statement for information and reconciliation purposes only. In addition, a consolidated monthly summary of all charges with supporting detail is provided to Accounts Payable. Accounts Payable makes one payment to the Card Supplier on behalf of all Cardholders and posts the individual account totals to the proper cost code, provided by the Cardholder with the approval of the Cost Centre Manager.

If an error is discovered on the monthly activity statement, the Cardholder should telephone the associated supplier to investigate. If both Cardholder and Supplier cannot determine the source of the discrepancy, the Cardholder must notify the Purchasing Card Coordinator. If errors are not reported within thirty (30) days, corrections cannot be made.

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BILLING AND REMITTANCE PROCEDURES

It is the responsibility of each Cardholder to perform a reconciliation of the monthly activity statement with the charge slips/receipts/packing slips. The Cardholder must cross-check the charge slips and the transaction log against the monthly activity statement to verify accuracy. If all of the charges are correct, the Cardholder forwards the transaction log and the monthly activity statement to their respective approving authority for signature.

AUDITING

Audits are conducted quarterly (as a minimum) by the Purchasing Card Coordinator who gathers data on how, where, and for what purpose the card was used.

Auditing consists of the following:

- Comparison of Cardholder Purchasing Card log sheets (0458) to Purchasing Card receipts and Card Supplier Monthly Card Statements.
- Requests for explanations of any discrepancies found between Cardholder data and Card Supplier Monthly Statements.
- Periodic review of Cardholder receipts and records to confirm expenditures are in accordance with the Metrolinx Purchasing Card Policies & Procedures, either at the Cardholder's work location or in Accounts Payable.

MERCHANT CATEGORY CODE (MCC) EXCLUSIONS

CATEGORY 4 – FOOD

Code 5813 - Bars, Cocktail Lounges, Discotheques, Nightclubs, Taverns

Code 5921 - Package Stores - Beer, Wine and Liquor

CATEGORY 12 - FINANCIAL SERVICES

Code 6010 - Financial Institutions - Manual Cash Disbursements

Code 6011 - Financial Institutions - Automated Cash Disbursements

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FORMS

See PCS-0501-01 for all forms.

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NON PROGRAM CREDIT CARDS

A credit card, for the purposes of this section, refers to a gasoline company credit card for use with a support fleet vehicle. For information regarding Corporate Purchasing Cards, please refer to section PCS-0402-01of this policy.

GASOLINE CREDIT CARDS

Third party provision of Gasoline Credit Cards is done through a competitive process and results in a multi-year Contract between Metrolinx and the card provider. The stipulation, as a result of this process, is that Metrolinx must only purchase fuel for support fleet vehicles using the Gasoline Credit Card and only from the card provider's fuelling locations.

Each Gasoline Credit Card is assigned to a specific vehicle and should only be used for that vehicle. Only those employees, including designated supervisory personnel who are required to drive a company vehicle during the normal course of their duties, are permitted to use Gasoline Credit Cards. These cards are not to be used by an employee for personal purchases, under any circumstances.

Requests for Gasoline Credit cards are the responsibility of the GO Transit Bus Fleet Maintenance Office. Once authorization has been obtained, the appropriate Cost Centre Manager will sign for, and receive a sufficient quantity of gasoline credit cards to accommodate the number of vehicles under his/her control.

CARD CONTROL

Appropriate Cost Centre Managers and their immediate supervisors will be held responsible for ensuring procedural safeguards are in place to monitor the utilization of credit cards assigned to, or used by them. Inappropriate use of a corporately issued credit card (e.g., for personal purchase) by any employee will be considered an act of fraud and will result in disciplinary action, up to and including termination.

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SURPLUS ASSET DISPOSAL

This section provides a process for retirement and disposal for all Metrolinx assets, except Real Property, and defines responsibilities and approvals required for sales and scrapping out of assets.

CLASSES OF ASSETS

There are three (3) general classes of assets, fixed assets, moveable assets and consumable assets. Fixed assets are recorded in the Finance Assets Ledger while the majority of moveable assets are recorded in the Asset control system maintained by the Finance Office. Consumable assets are not inventoried due to their limited lifespan. All of these classes of assets are treated identically for purposes of declaring them surplus for disposal and/or sale. Real Property is the responsibility of the Realty Services Office. Support vehicles licensed for use on public roads, are covered under separate provisions of this policy.

RESPONSIBILITY

FINANCE

- Maintaining records of the identity, location, cost, custody and status of Metrolinx assets.

USER GROUP

- Custody and physical control of the asset;
- Declaration of the asset as surplus by completion of the Asset Transfer and Retirement form;
- Storage of the surplus asset until disposal is complete, unless otherwise directed by PCS assisting with transportation;
- Assisting with making the asset available for inspection by purchasers;
- Providing information regarding the condition and maintenance history if available;
- Providing a recommendation regarding sale versus scrap out;
- Ensuring that the asset is disposed of in an appropriate manner and in accordance with the Assets Management and Disposal Program policy.

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- Conferring with the user group regarding potential markets/purchasers;
- Advertising the asset(s) for sale by various means as required;
- Receiving all quotations/offers to purchase;
- Giving/obtaining all necessary approvals to consummate the sale;
- Authorizing scrap out of assets where a sale has been unsuccessful, or the item has no residual value;
- Recording disposal of the asset and advise Finance if appropriate;
- Ensuring that appropriate control approvals have been obtained for the sale of assets;
- Reporting the sale of assets over $1,000,000 to the Audit Sub-Committee of the Board.

TRANSFER OF SURPLUS ASSETS

If an asset is surplus to one user group, it may be transferred to another user group, which has a need for it. Both user groups involved must approve an asset Transfer and Retirement form. The form is then sent to the Finance Office for recording the transaction. If the asset is surplus to the user group and there is no other need for the asset at Metrolinx, it should be declared surplus and transferred to PCS for disposal.

DECLARATION OF SURPLUS

The user group must declare an asset surplus to its needs by completing an assets Transfer Retirement form, authorized by the Cost Centre Manager, transferring responsibility to PCS. All equipment including consumables regardless of value which have been declared surplus must be authorized for sale/disposal by PCS. If no asset number can be found for the item, descriptive information should be included on the form, e.g. “spare air compressor motor CN at no cost”, etc. The same process also applies to items not normally considered for recording as an asset, for example, steel rail.

COMPUTER, TELECOMMUNICATIONS AND ELECTRONIC EQUIPMENT

The I and IT Division controls computer, telecommunications and electronic equipment. Surplus or outdated computer, telecommunications, or electronic equipment should be returned to Information Technology by the business office to which it had been assigned. I and IT determines when a piece of equipment is surplus to Metrolinx’s corporate needs,

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and adds it to a pool of retired equipment. Periodically, a list of equipment in the pool to be retired is forwarded along with the completed Asset Transfer/Retirement Form, approved by the Director Information Technology to PCS. PCS then disposes of the lot of equipment as appropriate.

CONTROL APPROVAL

The level of Control Approval required to authorize a sale is dependent on the sale price for the item concerned. Sales valued at less than $1,000,000 require approval of the Director, Administration and Contract Services or an Officer of the Company. Sales valued at $1,000,000 or greater require approval of the President GO Transit.

All sales valued at $1,000,000 or more will be reported to the Finance, Audit & Risk Management Committee of the Board at the next Committee Meeting. The value shall be comprised of either the value of an individual item or number of items sold, as a lot to one Purchaser, or the cumulative value of items sold to more than one purchaser.

Advice of intent to sell buses and/or rail coaches and locomotives must be brought to the attention of the Metrolinx Executive Team prior to notification of the sale being issued.

METHOD OF SALE

The saleability of surplus material is driven by unstable demand and PCS may at its discretion employ a variety of methods to dispose of these materials including but not limited to accepting unsolicited bids, solicited bids, advertisement in public media, competitive sales, auctions and direct mail out solicitations to potentially interested parties. Direct negotiations with a purchaser, without competition or advertisement may be used as the method of sale, if previous attempts to sell the item have been unsuccessful within the previous 12 months and if no other potentially interested purchasers are reasonably known to exist. If the item has no dollar value, e.g., used shop tools and small equipment, PCS will declare the item as scrap and authorize its disposal. Items declared as scrap will be disposed of by the responsible manager at each facility in an environmentally responsible manner using recycling facilities whenever possible. Under no circumstances are assets which have been declared as surplus to be offered for sale or given to employees, individuals or firms which may result in a Metrolinx employee, its contractors and their employees deriving a benefit of such asset being declared surplus.

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SUPPORT VEHICLES

The GO Transit Fleet Maintenance Office controls support vehicles and they will determine when a support vehicle is surplus to Metrolinx's needs and complete the Asset Transfer/ Retirement Form, approved by the Cost Centre Manager and forward the form along with the Vehicle registration documents to PCS.

Support Vehicle sales for licensed, road going vehicles are accomplished through a Contracted third party auction group. Other non-licensed support vehicles, e.g. tractors, are disposed of by Metrolinx.

SUPPORT VEHICLE SALES

PCS will complete the Auction Contractor's request form, make copies of the documents and contact the Contractor to pick up the vehicle. The Contractor will clean or prepare the vehicle for sale as directed by Metrolinx on the Contractor's form. The cost of services is deducted from the sales proceeds. The sale proceeds are forwarded to PCS, then to the Accounting Office.

The sales notice will be directed to PCS who will attach a copy of the Asset Retirement/ Transfer form to it and forward this document package to Finance and to Bus Fleet Maintenance. The support vehicle will then be deleted from various asset listings/rosters kept by all parties.

RESPONSIBILITY

Bus Fleet Maintenance

- Submitting completed, authorized Asset Retirement/Transfer form to PCS.
- Arranging for removal of license plates, documents, GO Transit and/or Metrolinx logos, identification, radios and other reusable equipment from the vehicle.
- Storage, pending pick up by the Auction Contractor.

PCS

- Co-ordinating sales with Auction Contractor, complete Contractor's forms, distribute document copies, obtain and give required approvals.
- Notifying Finance or Bus Fleet Maintenance of sale completion.

Finance

- Receiving cheques, update assets ledger.

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UNCLAIMED LOST & FOUND

As described in the Lost & Found Policy CA-0403-04, Metrolinx shall dispose of all unclaimed Lost & Found articles under the direction of the PCS office, as required, after assuming legal ownership.

Unclaimed items and accompanying lists are received from the central Lost & Found office at Union Station, on a monthly basis. The lists of the items are maintained in the PCS office for audit purposes.

PCS Staff review items on a monthly basis and sort them into four groups:

ITEMS FOR SALE

Any items considered saleable will be stored in a secure location in the PCS office. Approximately once per year, all of the saleable items will be sorted, recorded and offered for purchase to an appropriate dealer for the particular items i.e. pawn shop, auction house, electronics reseller, etc. All proceeds from the sale of these items will be delivered to the current Metrolinx chair of the United Way Campaign, for deposit and future donation.

CELL PHONES

All items in this category will either be donated to an applicable organization, which is able to recycle them, or will be sold as per the above.

BATTERIES

All batteries (apart from those donated or sold with cell phone and pagers) will be separated from unclaimed items and disposed of through proper environmental procedures.

ITEMS FOR IMMEDIATE DISPOSAL

Items in this category include, but are not limited to:

- Damaged and/or beyond repair;
- CD's and DVD's (personal use/used)
- Video tapes (personal use/used)
- Costume jewellery/watches
- Zero value items

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UNIFORMS, WORK CLOTHING & PROTECTIVE FOOTWEAR

Metrolinx funds and PCS administers a program whereby unionized, front-line and maintenance personnel and designated non-bargaining staff are supplied with Uniforms and/or Work Clothing items, in styles and colours as determined by Metrolinx and at no cost to the designated employees.

The program ensures that Metrolinx staff on GO Transit service are easily identifiable to passengers for the purpose of providing both general and emergency assistance. In addition, it allows employees to distinguish Supervisory personnel when assigned or involved in an unfamiliar work location or situation.

UNIFORM & WORK CLOTHING ISSUE

Uniform and Work Clothing items, either first issue or subsequent issue, must be picked up, on the employees own time, at any of the designated locations of the current third party supplier of Metrolinx, at no cost to Metrolinx other than the costs of the Uniform and/or Work Clothing. The applicable Uniform and Work Clothing program details will be made available to employees at time of hire and prior to each subsequent issue.

An employee who leaves or is discharged while on probation will be responsible for returning all issued Uniform and Work Clothing items to the employer. Such employee shall be responsible for the full cost of any Uniform or Work Clothing items not returned, returned damaged, or returned in unacceptable condition. Such costs will be determined by Metrolinx and be deducted from any monies owing to the employee.

Summer Students who work outside, typically in plant services or bus, and who must be identifiable to the public, are given three (3) short sleeve golf-style shirts with a GO logo, at the start of their employment. Other Summer Students and Co-op Students are not eligible to receive any Uniform or Work Clothing items.

FIRST ISSUE

The first issue of Uniforms and Work Clothing shall be made available as soon as possible after hiring. New employees hired to the classification of Bus Driver will receive their first issue of uniform garments upon successful completion of the mandatory training period.

First issue quantities and styles shall be provided in accordance with lists maintained by PCS, included in the ATU Collective Agreement and shall be determined by the employees position.

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SUBSEQUENT ISSUE

Subsequent issue of Uniforms and Work Clothing will occur in the 2nd quarter of each year after hire, with the exception of employees hired after September 1st, who will not be eligible for a subsequent issue until the 2nd quarter of the 2nd calendar year following their hire.

Subsequent issue of Uniforms and Work Clothing shall be based on minimum issue quantities, as determined by Metrolinx and on the choice of the employee.

RESTRICTIONS

Employees may wear the Uniform in their daily travel to and from work and all items shall be worn in the proper manner when on duty, however, the Uniform and/or Work Clothing, full or in part, is not to be worn during off duty hours.

The original badges, logos, crests must not be altered or removed from the garments supplied and worn, at all times, while the employee is on duty. The wearing of garments that have had these identifiers removed, or the wearing of the Uniform "in part" constitutes a breach of the intent of this policy and will result in disciplinary action.

Any accessories to the Metrolinx Uniform, including footwear, belts, etc. that are not a stock issue, must be suitable and complement the style of the Uniform being worn.

CLEANING

Each employee shall be responsible for maintaining his or her Uniform/Work Clothing garments in a clean and orderly condition, except for designated Bus Fleet Maintenance staff that are provided with a uniform program which includes cleaning.

REPLACEMENTS

Excessively worn garments and those damaged by circumstances beyond the control of the employee will be replaced at the discretion of the employee's Supervisor/Manager.

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AS REQUIRED ITEMS

"As required" shall mean that a garment will be repaired or replaced if it is no longer serviceable, able to meet corporate image standards and not subject to abuse other than for reasons of normal wear and tear. This determination will be made at the sole discretion of section management. Uniform and Work Clothing items to be replaced on an "as required" basis, must be returned to the appropriate Supervisor prior to replacement items being issued. Uniform items issued "as required" will be replaced every five (5) years, or as required.

MANAGEMENT/SUPERVISORY

Only designated "front-line" supervisory staff will be supplied with and permitted to wear, a full or partial Uniform and/or Work Clothing issue. These items will be provided at no cost to the employee. Simply holding a position, which regularly meets with Vendors or members of the public, is not sufficient justification for designation or issue of any corporate clothing item. The list of Supervisors who are "designated" will be maintained by PCS and additions to the designated list will be at the sole discretion of the Manager PCS. No provisions are made for non-designated staff to wear, or purchase in part, any portion of the Uniform and/or Work Clothing issue.

PROTECTIVE FOOTWEAR

Where Metrolinx provides a subsidy for protective footwear, the employee must purchase and pick-up the footwear on the employees own time, at no cost to Metrolinx other than the designated subsidy amount.

If the employee elects to purchase their protective footwear at one of the designated locations of the current supplier to Metrolinx, a voucher will be provided to them by PCS. If the employee elects to purchase their protective footwear from another supplier, they must submit an expense claim through their Supervisor and the Finance department for reimbursement.

Employees who, as a part of their normal duties are required to work at any of the following work sites, shall wear the appropriate foot protection:

- Steeprock Maintenance Garage;
- Wolfedale Maintenance Facility;
- Newmarket Maintenance Facility;
- Willowbrook Maintenance Facility;

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- Middlefield Maintenance Facility;
- Streetsville Maintenance Garage
- Satellite Maintenance Facilities;
- All construction sites; and
- Any other designated worksite.

All protective footwear shall comply with CAN/CSA – Standard Z195-192 Grade 1 protection.

Maintenance Electricians and Electronics Technicians are required to have electrical shock resistant soles that are designated by a white rectangular patch, in addition to the green triangular patch.

The subsidy for protective footwear, whether for front-line or Management staff, will be provided and may be used when Metrolinx agrees that a requirement exists, or when Metrolinx agrees that the employee's current footwear requires replacement. Effective April 1, 2008, the subsidy amounts are as follows:

- Summer Shoe up to $100
- Summer Boot up to $110
- Winter Insulated up to $160

Probationary employees, upon hire, must supply and wear safety footwear where applicable and will not be eligible or reimbursed for such subsidized amounts until the probationary period is successfully completed.

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FORMS

The following pre-printed forms, in addition to other Tender document standards, which are not included here, are used to carry out aspects of the Procurement process for all corporate goods and services requirements:

PURCHASE REQUISITION

Provides PCS with all of the information and authority required to initiate the purchase of goods and services.

PURCHASE ORDER

A one-part purchase form issued by Procurement & Contract Services through the PCS^3 computer system, to Vendors on all requirements with the exception of those executed by Contract.

RECORD OF TENDER OPENING – ATTENDANCE (0271)

Form used to record names of Vendors and their representatives who attend public openings of Tenders.

RECORD OF TENDER OPENING (0272)

Form used to record Tenders received, including name of company, tendered price and Bid Deposit information, at time of opening.

CORPORATE PURCHASING CARD APPLICATION (0474)

A form used to authorize a Corporate Purchasing Card for use by an individual and to set appropriate restrictions for its use.

CORPORATE PURCHASING CARDS - RESTRICTIONS, OBLIGATIONS & RESPONSIBILITIES – EMPLOYEE ACKNOWLEDGEMENT (0475)

A form to be signed by an employee receiving a Corporate Purchasing Card, which clearly identifies the restrictions placed on the use of the card and also details that employees' obligations and responsibilities surround the card's use.

PURCHASING CARD LOG (0458)

A form, which must be completed monthly by all Purchasing Card Cardholders, or approved designate, as a reconciliation of the transactions made with their assigned Corporate Purchasing Card.

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CORPORATE PURCHASING CARD CHANGE REQUEST (0477)

A form, which is used to make changes to transaction limits and restrictions placed on a particular Purchasing Card, or to cancel a Purchasing Card.

RETIREMENT, TRANSFER, OR DISPOSAL OF ASSETS REPORT (0385)

Used to notify PCS of the retirement of corporate assets and to identify items for immediate disposal.

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PURCHASE REQUISITION

METROLINX

NO
REFERENCE:

VENDOR(S)	SHIP TO

LINE	QTY	ACCOUNT	DESCRIPTION	UNIT MEASURE	UNIT PRICE	EST. PRICE	PRODUCT CATEGORY
					EST. TOTAL		

DATE REQUIRED	TYPE	ORIGINATOR	DATE INITIATED	AUTHORIZED	DATE

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PURCHASE ORDER

METROLINX

METROLINX
20 Bay Street Suite 600
Toronto, Ontario M5J 2W3

VENDOR

SHIP TO

DIRECT INQUIRIES TO THE BUYER

CREATION DATE	
BUYER	
TELEPHONE	416-869-3600

SHIP VIA	F.O.B.	TERMS

SUBJECT TO ALL CONDITIONS AND INSTRUCTIONS AS PER ATTACHED. PLEASE SUPPLY THE FOLLOWING GOODS AND SERVICES

LINE	QTY	ACCOUNT	DESCRIPTION	UNIT PRICE	PER	DISC.	TOTAL

ORIGINAL INVOICE AND COPIES TO

20 BAY STREET
TORONTO, ONTARIO
M5J 2W3

G.S.T. REG. NO. 84516 8186 RT0001

AUTHORIZED SIGNATURE

DATE

SUB TOTAL	
G.S.T.	
PROV. TAX	
TOTAL	

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Terms and Conditions

1. Metrolinx (the "Corporation") is a Crown agency established by the Metrolinx Act, 2006 (Ontario). The authority for this contract is found in sections 16 and 19 of that Act.
2. This purchase order, upon acceptance by the Vendor or its duly authorized Agent, shall serve as a written memorandum of the complete contract between the Vendor and the Corporation and, upon acceptance by the Vendor, the Vendor shall be deemed to covenant to comply with the conditions herein.
3. Subject to the provisions herein, the Sale of Goods Act (Ontario) applies to this contract insofar as any part of this contract relates to goods.
4. In addition to the warranties and conditions implied by the Sale of Goods Act (Ontario), the Vendor represents and warrants that there are no patents, trademarks or other rights restricting the use, repair or replacement of the goods furnished or any part thereof and hereby agrees to indemnify and save harmless the Corporation from and against all claims, demands, losses, costs, damages, actions, suits or other proceedings by whomsoever made, filed, or prosecuted in any manner by reason of such use, repair or replacement of the goods being a violation of any patent, trademark or other right.
5. Property and risk in the goods passes upon examination and acceptance by the Corporation.
6. Any goods that are not in accordance with this purchase order will be returned at the Vendor's expense.
7. Where a supply contract with the Vendor exists, the delivery terms of the supply contract prevail. Where no supply contract exists, the delivery terms of this purchase order apply. In either event, if the Vendor fails to deliver the goods on the date specified, the Corporation may terminate this purchase order upon seven (7) days notice to the Vendor.
8. In the event that unauthorized deliveries are made in advance of the delivery date specified, Corporation may return any such goods at the Vendor's expense.
9. Where a purchase order is made pursuant to a supply contract with the Vendor, and any prices in the purchase order conflict with the prices in the supply contract, the prices in the supply contract shall prevail.
10. Substitutions are not permitted without the written approval of Corporation.
11. Where a purchase order is made pursuant to a service contract with the Vendor, and service is provided under this purchase order , the Vendor shall perform the service in accordance with the terms and conditions of the service contract. In the event that no service contract exists and a service is provided under this purchase order, the Vendor shall perform the same in a good and workmanlike manner, and hereby warrants that the materials used are free of defects.
12. The Vendor represents and warrants that at the time of this purchase order, it is in full compliance with all tax statutes administered by the Ministry of Finance for Ontario and that, in particular, all returns required to be filed under all provincial tax statutes have been filed and all taxes due and payable under those statutes have been paid or satisfactory arrangements for their payment have been made and maintained

Instructions

1. The Vendor must communicate promptly with the Corporation for further instructions if it is unable to supply the order as specified.
2. A detailed packing slip must accompany each shipment.
3. The purchase order number must be shown on all packages, bills of lading, invoices and other relevant documents.
4. Invoices must be submitted in duplicate, must show full particulars, description of goods, quantity, rate and charge for each item, contact name and delivery location.
5. Invoices must show the name and postal address of the Vendor to whom the account is payable and the office where such payment is to be directed.
6. Where goods are shipped F.O.B. Vendor's dock via a common carrier, the Vendor must make a reasonable contract with the carrier and must give immediate notice of shipments to the Corporation.
7. When transportation charges have been prepaid on orders shipped F.O.B. Vendor's dock, the original freight, cartage or express receipt must accompany the invoice, and the freight charges must be shown as a separate item on the invoice.
8. Invoices for labour and materials must give details of quantities and prices of materials and the number of hours worked with the rates per hour.
9. Invoices for rental of equipment must give the commencement date of rental, the duration of rental and the rental rates.
10. Invoices must be typed or printed in ink.
11. Ontario Retail Sales Tax and GST must be charged where applicable and shown as a separate item on the invoice.

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METROLINX
An agency of the Government of Ontario

Record of Tender Opening - Attendance

Location	Date

Today we are opening the following tenders:

Tender Number

Name of Project

I would like to draw your attention to the fact that only the stipulated price of each tender will be read out. This is the price before taxes. Upon completion of the Tender Opening, all of the tender documents will be forwarded to our technical staff for evaluation and subsequent selection of the lowest qualified bidder. You will be advised accordingly.

Vendor	Telephone Number	Vendor Representative's Name

Pursuant to Section 39(2) of the *Freedom of Information and Protection of Privacy Act*, you are hereby notified that personal information relating to you is being collected for the purpose of recording tender attendance. The legal authority for this collection is the *Metrolinx Act, 2006*. Questions about this collection should be addressed to the Manager, Procurement and Contract Services, 20 Bay Street, Suite 600, Toronto, Ontario M5J 2W3, telephone (416) 869-3600.

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METROLINX

Record of Tender Opening

Contract number | Closing date | Time | Bid deposit required? ☐ Yes ☐ No $ | Page of

Description

Name of Company or Person	Tendered Amount	Bid Deposit Type	Bid Deposit I.D. Number	Bid Deposit Amount	Comments
	$	☐ Certified cheque ☐ Bid Bond ☐ Letter of Credit ☐ Bank Draft		$	
	$	☐ Certified cheque ☐ Bid Bond ☐ Letter of Credit ☐ Bank Draft		$	
	$	☐ Certified cheque ☐ Bid Bond ☐ Letter of Credit ☐ Bank Draft		$	
	$	☐ Certified cheque ☐ Bid Bond ☐ Letter of Credit ☐ Bank Draft		$	
	$	☐ Certified cheque ☐ Bid Bond ☐ Letter of Credit ☐ Bank Draft		$	
	$	☐ Certified cheque ☐ Bid Bond ☐ Letter of Credit ☐ Bank Draft		$	
	$	☐ Certified cheque ☐ Bid Bond ☐ Letter of Credit ☐ Bank Draft		$	
	$	☐ Certified cheque ☐ Bid Bond ☐ Letter of Credit ☐ Bank Draft		$	
	$	☐ Certified cheque ☐ Bid Bond ☐ Letter of Credit ☐ Bank Draft		$	
	$	☐ Certified cheque ☐ Bid Bond ☐ Letter of Credit ☐ Bank Draft		$	
	$	☐ Certified cheque ☐ Bid Bond ☐ Letter of Credit ☐ Bank Draft		$	
	$	☐ Certified cheque ☐ Bid Bond ☐ Letter of Credit ☐ Bank Draft		$	

Tender Opened By

PCS time clock stamp | Chairman | Recording Secretary | Opening Secretary

Assigned in PCS

CT Officer | Purchasing Coordinator

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METROLINX
An agency of the Government of Ontario
20 Bay Street, Suite 600
Toronto, ON M5J 2W3

Corporate Purchasing Card Change Request

Card Supplier Information

Financial institution name				Contact name
Address				City
Province	Postal code	Telephone	Fax	E-mail address

Cardholder Information

Company name on card		Assigned company number	Card number	
Metrolinx				
Employee No.	Position		Work location	Business Telephone No. Ext.
Employee Name (First, Last)				
Cardholder mailing address			City	Province Postal code

☐ **Card Cancellation** ** Destroy and return card if checked*

☐ **Limit Changes**

- ☐ Monthly from $_____ to $_____
- ☐ Single transaction from $_____ to $_____
- ☐ Daily credit from $_____ to $_____
- ☐ Temporary limit change $_____

☐ **Permanent MCC Changes** ☐ Add ☐ Delete

List MCC Codes below:

☐ **Permanent Change of Currency Allowed** ☐ All ☐ $ Cdn. only ☐ $ U.S. only

☐ **New Address** Effective date_____

Address	City	Province	Postal code

Cardholder's Manager Information

☐ Manager's email attached

Cardholder's Manager name	Signature	Date

Card Co-ordinator Information

Card Co-ordinator name	Signature	Date

Telephone	Fax	E-mail address

Pursuant to Section 38(2) of the *Freedom of Information and Protection of Privacy Act*, you are hereby notified that personal information relating to you is being collected for the purpose of processing credit card information. The legal authority for this collection is the *Metrolinx Act, 2006*. Questions about this collection should be addressed to the Manager, Procurement & Contract Services, 20 Bay Street, Suite 600, Toronto, M5J 2W3, telephone (416) 869-3600.

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METROLINX
An agency of the Government of Ontario

Corporate Purchasing Cards
Restrictions, Obligations & Responsibilities
Employee Acknowledgement

I, _____, hereby acknowledge receipt of the credit card issued

by _____ (card supplier), associated with account number:

_____

I acknowledge that this card ("the Purchasing Card") has been issued to me to make procurement and payment required in the course of my regular duties. I have read and understand my obligations related to my acceptance of the Purchasing Card.

I have signed the Purchasing Card and shall undertake to protect the Purchasing Card and the card account number and realize that it is for Metrolinx use only, not to be divulged to any other person (except a merchant with whom I am transacting on behalf of Metrolinx).

Cardholder Limitations		**Initials**
1. Per Purchase Dollar Limit	$2,500.00 (incl. taxes)	_____
2. Daily Dollar Limit	$5,000.00 (incl. taxes)	_____
4. Monthly/Total Credit Limit of Purchasing Card	$25,000.00 (incl. taxes)	_____

This document outlines the responsibilities I have as a holder of a Purchasing Card.

1. The Purchasing Card is intended to facilitate the purchase and payment of materials and services required to conduct Metrolinx business. I understand the Purchasing Card must be used to make authorized official Metrolinx purchases, within the limits established for the Purchasing Card. I cannot use the Purchasing Card for certain types of purchases, such as expenses incurred while traveling, entertainment, cash advances, any personal business, and similar items, etc.

2. I understand that the Purchasing Card must not be used for procuring goods and services which require special approval, such as office furniture, furnishings and equipment, computers, computer software and peripheral equipment, filing and records equipment, books and forms. I understand that "transaction splitting" in order to circumvent the Per Purchase, Daily or Monthly Dollar limits is strictly prohibited. I understand that the accumulation of "air miles" or other promotional rewards for personal use in conjunction with the use of the Purchasing Card is strictly prohibited.

3. I understand that the purchasing card must not be used to purchase chemicals controlled under Workplace Hazardous Materials Information System regulations. All hazardous goods purchases must follow company policy set out in System Safety Policy SS-0601-05 Acquisition Of Workplace Hazardous Materials. Failure to follow company policy can put my safety or that of others at risk.

4. I understand that when an item requiring an Asset Tag is purchased using the card as set out by Metrolinx policy, that the item has a Metrolinx Asset Tag attached as soon as possible. In order to obtain the Asset Tag, I will submit the required documentation requesting the tag to the Finance Office, receive the tag and affix the tag to the item.

5. I understand that all unauthorized use of the Purchasing Card can be considered misappropriation of funds. This could result in
   i) immediate and irrevocable forfeiture of the Purchasing Card and/or
   ii) disciplinary action up to and including termination of employment. I authorize Metrolinx to deduct from my pay the amount of any personal charges made by me on the Purchasing Card.

0475-12 (Revised February 27)

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6. I understand that the Purchasing Card must be surrendered to the Manager Procurement Operations and Administration ("PCS") or upon request or, upon termination of employment, whether for retirement, voluntary separation, resignation, or dismissal. I may also be requested to surrender the Purchasing Card for reasons not related to my own personal situation, such as corporate reorganization.

7. I will maintain the Purchasing Card with appropriate security whenever and wherever I may use the Purchasing Card. If the Purchasing Card is lost or stolen, I agree to notify the supplier of the Purchasing Card and the Purchasing Card Co-ordinator immediately. I am aware that if this is not done, Metrolinx may be liable for all unauthorized purchases charged to the account.

8. The Purchasing Card must be used only by the Metrolinx Cardholder who has signed the Purchasing Card and the Employee Acknowledgement of Responsibilities and Obligations Form. I will not allow any other person to use my Purchasing Card.

9. I understand that since Metrolinx is responsible for payment, I may be periodically required to comply with internal control procedures designed to protect Metrolinx's assets. This may include being asked to produce the Purchasing Card records for audit purposes.

10. I, as the Cardholder, shall provide any required information, affidavits or statements to the Purchasing Card supplier and Metrolinx as well as any required assistance to settle disputes.

11. I understand that I will receive a monthly statement that will report all activity during the last cycle. I will resolve any discrepancies by either contacting the supplier or the Purchasing Card Co-ordinator as appropriate within thirty (30) days of the statement date. I understand that I will be required to obtain a copy of all cash register receipts or invoices and reconcile them with the monthly card statement.

12. I understand that all charges will be billed directly to and paid directly by Metrolinx. I understand that the Purchasing Card supplier cannot accept payment from me directly.

13. I understand that the charges made against my corporate Purchasing Card are automatically recorded against the appropriate GL lines as specified by Metrolinx. I agree to charge only those purchases consistent with the type of materials and services authorized by Metrolinx.

14. I understand that when my card expires, I must return my card to the Purchasing Card Co-ordinator.

My signature below indicates that I have read and understand all of these restrictions, obligations and responsibilities, and agree to adhere to the procedures established for Metrolinx's Corporate Purchasing Card program.

Cardholder's signature	Title	Date
Purchasing Card Co-ordinator's signature	Title	Date

See Cardholder's Purchasing Card Application Form for Manager's and Director's authorization.

cc. Cardholder
Card Co-ordinator, PCS
Cardholder's Manager

0475-12 (2) (Revised February 27)

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Purchasing Card Log

Statement date: Year / Month / Day

Note: Please ask suppliers to provide the following information on their packing slip: "Purchasing Card" written in the purchase order number area, and ensure the department/centre, address, floor number, name, phone number and extension are included.

No.	Date of Purchase mm/dd/yy	Supplier Name	Item Purchased	G.L. Account Code	Item Cost ($)	Other Costs (e.g. freight) ($)	Subtotal ($)	HST if charged ($)	Total ($)
				Total amount ⇨	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

No.	Purchase Dispute Date	Date Dispute Resolved	Comments

Cardholder: Department
Card number: Cost Centre number
Manager's Signature: Date

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Original - Accounts Payable (attach original invoices, receipts, and original Card account statement)
Copy 2 - Employee (attach photocopies of invoices, receipts, packing slips, and Card account statement)
Copy 3 - Metrolinx Purchasing Card Coordinator (attach photocopy of Card account statement)

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METROLINX
An agency of the Government of Ontario

20 Bay Street, Suite 600
Toronto, ON M5J 2W3

Corporate Purchasing Card Change Request

Card Supplier Information

Financial institution name			Contact name	
Address				City
Province	Postal code	Telephone	Fax	E-mail address

Cardholder Information

Company name on card: Metrolinx		Assigned company number	Card number	
Employee No.	Position		Work location	Business Telephone No. Ext.
Employee Name (First, Last)				
Cardholder mailing address		City	Province	Postal code

☐ **Card Cancellation** ** Destroy and return card if checked*

☐ **Limit Changes**

- ☐ Monthly from $_____ to $_____
- ☐ Single transaction from $_____ to $_____
- ☐ Daily credit from $_____ to $_____
- ☐ Temporary limit change $_____

☐ **Permanent MCC Changes** ☐ Add ☐ Delete

List MCC Codes below:

☐ **Permanent Change of Currency Allowed** ☐ All ☐ $ Cdn. only ☐ $ U.S. only

☐ **New Address** Effective date_____

Address	City	Province	Postal code

Cardholder's Manager Information ☐ Manager's email attached

Cardholder's Manager name	Signature	Date

Card Co-ordinator Information

Card Co-ordinator name	Signature	Date

Telephone	Fax	E-mail address

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