

Policy Title: Bid Review and Evaluation – High Value and Medium Value Acquisitions

Policy Number: 03-06-02

Section: Corporate Administration

Subsection: Acquisition/Disposal of Goods and Services

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Approved by:

Owner Division/Contact:

Leadership Team

Procurement Services, Corporate Business Services Division, Corporate Services Department

Policy Statement

The City of Mississauga’s (“City”) procurement processes must be conducted fairly and consistently to ensure the equitable treatment of all Bidders.

Purpose

This policy details the responsibilities and procedures for reviewing and evaluating Bids and provides guidance to staff on:

- Identifying and appropriately addressing Bid Irregularities
- Identifying and appropriately addressing Unethical Bidding Practices
- Evaluating Bids
- Performing appropriate due diligence, and
- Notifying disqualified and unsuccessful Bidders

Scope

This policy applies to:

- All Bids received from Bidders in response to a High Value Acquisition (HVA) or a Medium Value Acquisition (MVA) Bid Request; and
- All individuals responsible for Bid Review and Evaluation, including staff and external consultants retained by the City to act on its behalf

Exclusion

This policy does not apply to the acquisition of real property or leases, low value acquisitions, or to limited interest agreements allowing for the use of City real property.

Legislative Authority

This policy complies with the Procurement By-law 0013-2022, as amended, which governs the procurement of Goods and/or Services.

Disclosure of procurement-related information is subject to the *Municipal Freedom of Information and Protection of Privacy Act* (MFIPPA). For additional information on MFIPPA, refer to Corporate Policy and Procedure – 03-02-12 – Privacy and Corporate Policy and Procedure – 03-02-13 – Accessing City Information.

Definitions

For the purposes of this policy:

“Award” means the selection by the City of the Bidder and the Bidder’s Goods and/or Services resulting from a Bid Request.

“Best Value” means the optimal balance of efficiency, performance and cost determined in accordance with the evaluation criteria disclosed in a Bid Request. Best Value is represented by the Bid with the highest score.

“Bid” means a proposal, offer or submission from a Bidder, received in response to a Bid Request from the City.

“Bid Request” means a solicitation from the City to potential Bidders to submit a Bid.

“Bidder” means any legal entity submitting a Bid.

“Business Day” means any day other than Saturday, Sunday, a day that is a statutory holiday in the Province of Ontario or any other day on which the administrative offices of the City are closed.

“Buyer” means a staff member in Procurement Services who is assigned responsibility for a particular procurement.

“Chief Procurement Officer” means the Director of Corporate Business Services, or their designate.

“Contract Manager” means a City employee to whom a divisional director has delegated procurement process responsibility and/or contract management responsibility.

“Evaluation” means the action of scoring Bids received in response to a Bid Request against predetermined weighted criteria or pass/fail criteria, as applicable.

“Evaluator Declaration Form” means a form that must be acknowledged by every member of an Evaluation team, prior to evaluating any Bids. The form includes instructions to evaluators and rules regarding conflict of interest and confidentiality.

“Goods” means tangible and intangible goods of all kinds, including but not limited to supplies, materials, equipment, structures and fixtures to be delivered, installed and/ or constructed, and licences and subscriptions.

“High Value Acquisition” or “HVA” has the same meaning ascribed to it in the Procurement By-law.

“Irregularity” means a deviation between the requirements (terms, conditions, specifications, special instructions) of an HVA or MVA Bid Request and the information provided in a Bid response. Irregularities are classified as “Major Irregularities” or “Minor Irregularities”.

“Major Irregularity” means a deviation from an HVA or MVA Bid Request that, as determined by the Manager, is substantial and material to the Award and which, if permitted, could give the Bidder an unfair advantage over other Bidders.

“Manager” means the Manager, Procurement Services, or their designate.

“Materially Unbalanced” refers to pricing that may indicate manipulation by Bidders, within their Bid, that is to their advantage. Unbalanced pricing may occur in any Bid, but is more likely in unit price Bids, Bids with phased pricing, and Bids from incumbent suppliers.

“Medium Value Acquisition” or “MVA” has the same meaning ascribed to it in the Procurement By-law.

“Minor Irregularity” means a deviation from an HVA or MVA Bid Request which, as determined by the Manager, affects form rather than substance, with no material impact to the Award and which, if permitted, would not give the Bidder an unfair advantage over other Bidders.

“Negotiated Request for Proposal” or “NRFP” means a solicitation of revocable Bids in cases where the City states the performance requirements and/or business objectives but the Bidders recommend the optimal approach for consideration and evaluation by the City. Awards resulting from NRFP processes are to the top ranked Bidder(s) and include a negotiation of final terms and conditions and/or statement of work.

“Procurement” means the acquisition of Goods and/or Services by purchase, lease, rental or exchange transaction.

“Procurement Authorization Request Form” (PAR Form) means an internal electronic form that is available through Procurement Services. A PAR Form is required to obtain authority to Award, amend or terminate a contract.

“Procurement By-law” means the City’s Procurement By-law 0013-2022, as amended.

“Request for Proposal” or “RFP” means a solicitation of irrevocable Bids in cases where the City states the performance requirements and/or business objectives but Bidders recommend the

optimal approach for consideration and evaluation by the City. Awards resulting from RFP processes are to the top ranked Bidder(s).

“Review” means the action of verifying Bids for accuracy and matters of form, and/or substantial compliance with specifications and requirements of the Bid Request.

“Services” means services of all kinds, including but not limited to labour, construction, maintenance and professional and consulting services.

“Unethical Bidding Practices” include, but are not limited to, acts of fraud, bribery, collusion and bid rigging among Bidders.

“Website” means the City’s e-bidding site, which is used by the City to post Bid Requests, receive electronic Bid submissions, and post Bid Evaluation results.

Roles and Responsibilities

Chief Procurement Officer

The Chief Procurement Officer is responsible for:

- Authorizing PAR Forms in accordance with this policy and the Procurement By-law, and
- Reviewing bids with issues of non-compliance and Bid pricing concerns, as needed

Manager, Procurement Services

The Manager, Procurement Services is responsible for:

- Ensuring Buyers are aware of and compliant with this policy, relevant policies and procedures and the Procurement By-law
- Developing and maintaining forms and tools for Bid Review and Evaluation,
- Investigating and resolving reports of real or perceived conflicts of interest, identified or suspected Unethical Bidding Practices and Irregularities, and
- Carrying out actions where and as described in this policy

Manager, Procurement Business Partner

The Manager, Procurement Business Partner is responsible for:

- Ensuring Buyers are aware of and compliant with this policy, relevant policies and procedures and the Procurement By-law
- Providing training, guidance, advice and support to staff and Buyers as appropriate, and
- Carrying out actions where and as described in this policy

Buyer

The Buyer is responsible for:

- Overseeing the Evaluation process and the Evaluation team
- Ensuring fairness in the process and compliance with this policy, relevant policies and procedures and the Procurement By-law

- Reporting real or perceived conflicts of interest, identified or suspected Unethical Bidding Practices, and Irregularities to the Manager
- Facilitating the Evaluation team to achieve consensus scores
- Arranging Bidder interviews, demonstrations and obtaining clarifications as necessary/appropriate
- All communications with Bidders that pertain to the procurement in process (the Buyer is the single point of contact throughout the procurement process), and
- Retaining all records related to the Evaluation process in the Procurement Centre (e.g. notes, decision records, letters and emails to and from Bidders, forms, matrices etc.)

Contract Manager

The Contract Manager is responsible for:

- Successfully completing training prepared by Procurement Services and available through Insight Learning, including training regarding potentially Unethical Bidding Practices
- Reporting real or perceived conflicts of interest, identified or suspected Unethical Bidding Practices, and Irregularities to the Buyer for escalation to the Manager
- Determining the required expertise and establishing the Evaluation team
- Participating in the Evaluation process as an Evaluation team member
- Ensuring that the business objectives for the procurement are met, and
- Maintaining notes, minutes and records of decisions and providing them to the Buyer for retention in the Procurement Centre

Evaluation Team

Members of the Evaluation team are responsible for:

- Executing an Evaluator Declaration Form, in Procurement Services' prescribed form, acknowledging their role and responsibilities in the Evaluation process
- Declaring bias or any real or perceived conflicts of interest to the Buyer
- Independently scoring Bids using the criteria and process for Evaluation described in the Bid Request and using the evaluation forms made available electronically by the Buyer, and
- Evaluating Bids in a manner that is fair, factual and fully defensible

Fairness and Transparency

Each Bid Request issued by the City must describe the Evaluation process the City will follow to determine the Bidder(s) to whom a contract will be Awarded. The City is required to conduct fair, open and transparent procurement processes and to disqualify non-compliant Bids.

Preliminary Review of Bids

Review for Irregularities

The Buyer conducts a preliminary Review of all Bids received in response to the Bid Request to determine if any Irregularities exist. Where Irregularities are identified, the Buyer must

immediately inform the Manager, who will determine if the Bid(s) containing Irregularities are acceptable to the City.

The following table outlines the types of Irregularities that can be found in Bids and the resulting action. The table is a guide only and does not qualify any rights and privileges reserved to the City. The City will not be responsible to any Bidder or other person where it elects to exercise a discretion, reserved privilege or right in a manner different from that outlined below.

Item	Acquisition Type	Irregularity Type	Irregularity	Action
1	HVA	Major	Bid received outside of e-bidding system	Disqualification
2	HVA	Major	Incorrect Bid security submitted: a) Bid bond and/or agreement to bond, in the form, amount and irrevocability outlined in the Bid Request not submitted b) Bid bond and/or agreement to bond is not digitally sealed and is unverifiable c) Bid bond and/or agreement to bond is issued by a surety that is not licensed to conduct business in Canada and in the Province of Ontario	Disqualification, except for: in the case of a): the Bid bond and/or agreement to bond submitted is in excess of the Bid Request requirements
3	MVA	Major	Submission form not signed	Disqualification
4	MVA	Major	Incomplete Bid	Disqualification, unless: a) the Bid Request states that partial Bids are acceptable, and the Bid is complete in respect to the portion of the deliverable; or, b) in the opinion of the Manager, the omission is

				of a minor nature and, if requested, is remedied by the Bidder within two (2) business days of notification.
5	MVA	Major	Addenda have not been acknowledged in the Submission Form: a) which have financial implication b) which have informational content	Disqualification, unless in the opinion of the Manager, the addenda were provided for informational content only and do not have any financial implication. The Bidder has two (2) business days to acknowledge, or the Bid shall be disqualified.
6	MVA and HVA	Major	Late Bid	Disqualification
7	MVA and HVA	Major	Bid is received from a supplier serving a suspension in accordance with the City's Corporate Policy & Procedure – 03-08-04 – Supplier Performance and Suspension Policy	Disqualification
8	MVA and HVA	Major	Bid is received from a Bidder who has named a subcontractor that is a supplier serving a suspension in accordance with the City's Corporate Policy & Procedure – 03-08-04 – Supplier Performance and Suspension Policy	Disqualification
9	MVA and HVA	Major	Bid does not conform to any item denoted as "mandatory"	Disqualification

			in the Bid Request	
10	MVA and HVA	Major	Alterations, additions, deletions, or qualifying statements made to or provided with the Bid	Disqualification, unless in the opinion of the Manager the statements provided do not qualify any pricing but are included for clarity purposes.
11	MVA and HVA	Major	Failure to have a representative in attendance and registered at a mandatory site visit	Disqualification
12	MVA and HVA	Major	Bidder has not been previously prequalified under a related prequalification process, where applicable	Disqualification
13	MVA	Minor	If a unit price has been provided but the corresponding extended total has been omitted	The extended total will be calculated from the unit price and the quantity specified by the City.
14	MVA	Minor	If an extended total has been provided but the corresponding unit price has been omitted	The unit price will be calculated from the extended total and the quantity specified by the City.
15	MVA	Minor	Mathematical errors which are not consistent with the unit price	Upon notification, two (2) business days to correct errors or Bid shall be disqualified
16	MVA and HVA	Minor	“Proof” document, such as a certificate or license, has not been provided, or is provided but is expired	The Bidder has two (2) business days to provide document, or the Bid shall be disqualified.

Other Irregularities will be considered by the Manager. Where the Manager determines that a Bid contains a Major Irregularity, the Bid will be disqualified. Where the Manager determines that a Bid contains a Minor Irregularity, the Manager may either accept the Irregularity or require the Bidder to correct the Irregularity within a specified time. If the Bidder does not correct a Minor Irregularity within the time specified to the satisfaction of the Manager, the Bid will be disqualified.

Where a Bid is being disqualified, the Manager will notify the Bidder of the disqualification prior to the Bid Award.

Mathematical Review

To identify errors in mathematical calculations and significant price variations, and ultimately to rank Bids, the Buyer conducts a mathematical review of all Bids:

- That contain no Irregularities
- That contain Minor Irregularities that the Manager has accepted, or
- That contain Minor Irregularities that have been corrected to the satisfaction of the Manager

Where errors have been identified and corrected, the Buyer ranks Bids based on corrected Bid amounts and must notify a low Bidder of corrections that change the ranking of their Bid.

For the purposes of Bid Review and/or Evaluation, if any Bids are submitted in a foreign currency, the Bids will be converted by the Buyer to Canadian currency at the rate of exchange posted by the Bank of Canada on the day of Bid closing.

Unethical Bidding Practices

All staff involved in the Bid Review and Bid Evaluation processes must be aware of potentially Unethical Bidding Practices that may be employed by Bidders. Any identified or suspected instances of Unethical Bidding Practices must be reported to the Manager.

Indicators of Unethical Bidding Practices

The Buyer conducts a Review of Bids that have not been disqualified for Irregularities for indicators of potentially Unethical Bidding Practices, which may include but are not limited to:

- Bidders having the same or similar addresses
- Family relationships between Bidders and/or their representatives
- Bidders having the same IP addresses when submitting Bids and other documents, and/or
- Subcontractors carried by the Bidder (which can indicate overlap in several Bids)

Buyers must discuss any indicators of potentially Unethical Bidding Practices with the Manager. Additional background checks and/or consultation with Legal Services and/or Internal Audit may be required to determine if the Bid is acceptable and/or to determine further actions.

Secondary Review of Bids

Review of Bids where Award is based on the lowest acceptable Bid(s)

In order to determine the lowest acceptable Bid(s), the Contract Manager reviews all Bids deemed acceptable in the preliminary review to:

- Confirm compliance with specifications and requirements as stated in the Bid Request
- Identify pricing anomalies and unbalanced pricing, and
- Validate relevance of Bidder's experience on other projects

If an external consultant will be conducting the Review for compliance, the Contract Manager is responsible for ensuring that the consultant's Review is completed in accordance with this policy.

Review for Materially Unbalanced Pricing

The Contract Manager is responsible for ensuring that each Bid is priced properly and does not contain indicators of Materially Unbalanced pricing. Indicators of Materially Unbalanced pricing include, but are not limited to:

- The Bid is based on prices that are significantly lower and/or significantly higher in relation to prices for other items or work
- The Bid includes disproportionately high prices for provisional quantities of specified items, if quantities are estimated (which could result in an overly high-priced final contract, if permitted), and
- The Bid is based on a project payment schedule requiring payments that are high in relation to the actual work to be completed or deliverables to be received, especially in the early stages of a project, leaving little incentive for completion of later stages of work

A Bid that is priced low, compared to other Bids and/or estimates, is not necessarily unbalanced. However, this may indicate errors and/or misunderstanding by the Bidder or non-compliance with the specifications.

The Contract Manager must raise issues of non-compliance and Bid pricing concerns with the Buyer for discussion with the Manager. The Manager will determine the appropriate course of action, which may include clarification with the Bidder and/or disqualification of the Bid. The Manager may consult with Legal Services and/or the Chief Procurement Officer as required/appropriate.

Review of Bids where Award is based on the Best Value

In order to determine the Best Value Bid(s), all Bids deemed acceptable in the preliminary review are evaluated by an Evaluation team and scored in accordance with predetermined criteria and weights, if applicable.

Evaluation Team

The Evaluation team is formed by the Contract Manager and their department.

The Evaluation team must include members with relevant expertise and should not include direct reporting relationships, unless approved by the Manager in writing. An Evaluation team should consist of an odd number of people and should include a minimum of three (3) to a maximum of five (5) members. Members of the team are not allowed to delegate their role.

A Buyer is assigned to an Evaluation team and is responsible for moderating and facilitating the Evaluation meetings. The Buyer is not a scoring/voting member of the Evaluation team, unless in the case of evaluating a Sustainable Leadership Questionnaire (SLQ).

Depending on the nature and complexity of the Bid Request, Evaluation may involve:

- Written clarifications of the Bid
- Interviews
- Demonstrations of proposed systems, services or products, and/or
- Other additional steps as appropriate

No communications are permitted between Bidders and members of the Evaluation team regarding the procurement process being conducted.

The Evaluation process is confidential; no Bid or Bidder information shall be disclosed or discussed outside of the Evaluation team.

Objectives of an Evaluation

The objectives of an Evaluation include:

- Maintaining transparency and the integrity of the process, ensuring that the process is conducted as described in the Bid Request, with no undisclosed criteria
- Treating Bidders objectively and without bias, to ensure fairness
- Ensuring that informed decisions are made through appropriate clarifications and avoiding assumptions
- Reaching consensus among the Evaluation team with the Evaluation outcome and supports the Award recommendation or selection of prequalified Bidders; and
- The Award recommendation aligns with the Bid Request, is fully defensible, and decisions are documented and supported by notes indicating the rationale for scoring (this information is also used to provide feedback to unsuccessful Bidders and to respond to their concerns, as required)

Due Diligence

The Buyer is responsible to perform due diligence to determine the acceptability of Bidders under consideration for Award or pre-selection if:

- The Bidder is unknown to the City
- The Bidder is a past employee of the City or Member of Council

- The Bidder is known to the City, but performance has been weak, inconsistent and/or there are indicators of instability; or
- Deemed prudent by the Manager, in collaboration with the Buyer and Contract Manager

Where required, the Buyer's due diligence may include:

- Conducting reference checks, both internal and external:
 - All references require completion of a form, which is provided by Procurement Services; reference forms can be completed by email and returned to the City, or the Buyer may complete a reference form by telephone (if completed by telephone, the Contract Manager may participate in the call)
 - If the Bidder has held previous contracts with the City, the Buyer may review past supplier performance evaluation forms, if applicable, and obtain an internal reference from the applicable Contract Manager, and
 - Only the Contract Manager for a past contract can provide an internal reference and only documented performance concerns will be considered in deciding the acceptability of a Bidder
- Obtaining articles of incorporation, and
- Obtaining a credit check and/or other financial, legal or background information, as applicable

Notification to Bidders

Notification to Bidders with Bid Irregularities

The Manager must notify any Bidder whose Bid is found to contain one or more Irregularities.

The notification will include the following:

- Procurement number and name
- The Irregularity that was identified
- Reference to the Bid Request
- The reason for the disqualification (and where applicable, further explanation), and
- A minimum of three business days for the Bidder to request a debrief or to raise any questions or concerns

Notification of Procurement Results

The Buyer must notify all Bidders (except those whose Bids were disqualified) of the procurement results at the conclusion of the Bid Review and Evaluation process after determining, depending on the type of Bid Request:

- The lowest acceptable Bid;
- The top ranked Bidder, or
- The list of prequalified Bidders and/or Goods and/or Services

The notification will include the following:

- Procurement number and name

- The successful Bidder(s) and total Award amount(s), if applicable, and
- A minimum of three business days for the Bidder(s) to request a debrief or to raise any questions or concerns

Bidders may object if they feel that the City’s actions in reviewing or evaluating Bids, recommending the Award of a contract or the selection of prequalified Bidders and/or Goods and/or Services have been unfair or inappropriate. For additional information, refer to Corporate Policy and Procedure - 03-06-08 - Bid Awards and Bid Protests.

Procurement Authorization Request (PAR) Form

Bids Awarded are identified on the PAR Form as follows:

- For each Bid not disqualified due to Major Irregularities, the Bidder is listed with the Bid amount
- For each Bid considered after correction of mathematical errors, the corrected amount is listed beside the amount which was first made publicly available, and
- For each Bid disqualified due to a Major Irregularity, the Bidder (name only, no Bid price) is listed, along with the reason for disqualification in the “Disqualified Bids” section

Prequalified Bidders are identified on the PAR Form as “accepted”.

Updating the Public Record

Where the lowest acceptable Bid is the Award determination, the Bid results, including Bidder names and total Bid amounts are automatically disclosed on the Website immediately upon Bid closing. After execution of the Award, the Buyer must update the Website to show the awarded Bidder(s) and awarded bid amount(s).

Where Best Value Bid is the Award determination, only the Bidder(s) names are posted on the Website immediately upon Bid closing. After execution of the Award, the Buyer must update the Website to show the awarded Bidder(s) name and awarded bid amount(s). The Bid prices of the unsuccessful Bidders are not disclosed.

Revision History

Reference	Description
GC-0016-2002 - 2002 01 16	
LT - March 22, 2012	Policy revised to apply to HVA only. Combined with Bid Irregularities policy, now rescinded
August, 2015	Revised policy to reflect definition of Commissioner in By-law 0188-2015

December, 2015	Scheduled review – no changes
November 30, 2017	Housekeeping to remove definition for BAR form – not applicable to the policy.
March 30, 2020	Removed references to Bid openings which are now covered by a separate policy; other minor changes as applicable for electronic bidding and related changes to business process.
LT – April 13, 2023	Scheduled review. Revised to include procedures for the review and evaluation of HVA Bids.
April 27, 2023	Housekeeping revision to clarify “Major Irregularities”.
December 7, 2023	Housekeeping changes to reference the Privacy and Accessing City Information policies.
LT – 2024 11 28	Scheduled review. Substantial revision to clarify and streamline policy and to include MVAs.