

**Purchasing & Materials Management Policy**

DATE:

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**PURPOSE**

To outline a procedure for Division Heads to respond to unsolicited quotations or proposals in a manner that ensures transparency, fairness, best value for the City and to provide guidance to vendors on the submission of unsolicited quotations or proposals to the City.

**POLICY**

1. Unsolicited quotations or proposals should not be allowed to circumvent the City's procurement process.

An unsolicited quotation or proposal should not be considered if:

- a) It resembles a current or upcoming competitive procurement that has or will be requested
  - b) It requires substantial assistance from the City to complete the quotation or proposal
  - c) The goods or services are readily available from other sources
  - d) It is not deemed by the Division Head to be of sufficient value to the City of Toronto
2. If the unsolicited quotation or proposal does not meet any of the criteria in section 1 and the Division Head is willing to consider it, the following minimum information must be submitted to the Division Head as part of the unsolicited quotation or proposal, as applicable:
    - a) Vendor profile
    - b) Proposal or Quotation overview
    - c) Objectives and outcomes
    - d) Project scope or specifications and time frames
    - e) Deliverables and work plan
    - f) Project controls and constraints
    - g) Reporting and project management
    - h) Vendor and City respective responsibilities

Appendix 1

- i) Pricing and benefit/risk sharing
  - j) Proposed contractual terms
  - k) Acknowledgement that the vendor will abide by the City's Policies and By-laws
3. If the Division Head feels that the unsolicited quotation or proposal has merit, the Division Head should assemble an Evaluation Team with sufficient expertise to evaluate the unsolicited proposal or quotation.
4. Prior to any evaluation of the unsolicited quotation or proposal, the Division Head must obtain in writing the vendor's agreement to abide by this policy and acknowledgement that the City is under no obligation to accept the proposal or quotation, that all costs incurred by the vendor in relation to the unsolicited proposal or quotation are incurred at the vendor's own risk and that the City shall not be liable for any costs or damages in connection with the rejection or non-acceptance of the proposal or quotation.
5. The Evaluation Team:
- a) Evaluates the vendor's technical, commercial, managerial and financial capability to determine whether the participant's capabilities are adequate for undertaking the project.
  - b) Weighs the technical, commercial, managerial and financial aspects of the unsolicited quotation or proposal and determines if the scale and scope of the project is in line with the requirements, the funding ability, or the interests of the City.
  - c) Determines whether the sharing of risks as proposed in the proposal or quotation is acceptable to the City and if the project is in conformity with long term objectives of the City.
  - d) Based on the evaluation, the Evaluation Team may decide to reject the proposal, to request amendments to the quotation or proposal, or to continue with the process.
  - e) If the Evaluation Team recommends any modification in the technical, scale, scope and risk sharing of the proposal, the vendor will be allowed to consider the recommendations and re-submit its quotation or proposal within a given time period determined by the Evaluation Team
6. If the Evaluation Team and Division Head conclude that the unsolicited quotation or proposal is acceptable, the Division Head shall:
- a) Prepare a report to Council requesting authority to apply the "Swiss Challenge"

approach to invite counter quotations or proposals, as described in Section 7 below. The report will outline how the challenge will be conducted.

7. If Council approves the “Swiss Challenge” approach, the Division Head must ensure transparency, fair competition and best value for the City in accepting an unsolicited quotation or proposal by:
  - a) Inviting, through the Purchasing and Materials Management Division and in consultation with Legal Services, competing counter quotations or proposals giving adequate notice. The unsolicited quotation or proposal and contract principles of the quotation or proposal will be made available to any interested party (proprietary information contained in the unsolicited/quotation proposal would remain confidential and would not be disclosed) for the purpose of providing the City with counter quotations or proposals.
  - b) Ensuring the Evaluation Team that evaluated the unsolicited quotation or proposal evaluate all counter quotations or proposals received
  - c) Giving the original vendor an opportunity to match any competing counter quotations or proposals that may be superior to the original unsolicited quotation or proposal. In the case the original vendor matches or improves on the competing counter quotation or proposal, the Project will be awarded to the original vendor. In the event that the original vendor does not match or improve on the competing counter quotation or proposal, the City can award the project to others, and the original quotation or proposal prepared by the original vendor becomes the property of the City
  - d) Reporting jointly with the Chief Purchasing Official, the results of the acceptance of an unsolicited quotation or proposal or counter quotation or proposal under this policy to the appropriate Committee and Council before entering into a contract with any bidder or proponent resulting from the application of this policy.

## **CONTACT**

Should you have any questions please contact the Purchasing and Materials Management Division. In the event that further interpretation is required, please contact the Manager, Corporate Purchasing Policy & Quality Assurance at 416-392-0387 or Supervisor, Policy, Training & Technology at 416-392-1305.