

## **Bid Irregularities**

### **Major or Minor Irregularity and Mathematical Error**

A bid irregularity is a variance between the requirements (terms, conditions, specifications, special instructions) of a bid request and the information provided in a bid response.

Irregular Results of a competitive procurement process are to be reported to Department Head and Treasurer.

For the purposes of this policy, a submission showing irregularities are classified as "major irregularities" or "minor irregularities" or "mathematical errors" and defined as follows:

A "major irregularity" is a deviation from the competitive procurement process request that affects the price, quality, quantity or delivery, and is material to the award. The bidder will be disqualified from the process. The Township must reject any offer submitted, which contains a major irregularity. The bidder will be notified of the rejection due to the major irregularity.

A "minor irregularity" is a deviation from the competitive procurement process request, which affects form, rather than substance. The effect on the price, quality, quantity or delivery is not material to the award. The bidder will be given the opportunity to adjust the irregularity and continue in the process. The Township may permit the person to correct a minor irregularity to make the submission compliant.

A "mathematical error" is a deviation in addition, subtraction, multiplication or division, or a transposition error which may or may not affect the total price. A mathematical error will be corrected based on the unit bid price, including sales tax amounts if applicable. Where the intent of the price, unit or otherwise is unclear, the bid may be declared non-compliant.

Refer to the Schedule "L" for a non-exhaustive list of examples of major and minor irregularities.

If, in the opinion of staff, any bidder has underestimated the value of the goods and/or services to be provided as reflected in its unit/bid price/fee, authorized staff may reject the bid as unbalanced (i.e., not representative of the scope of the supplies and/or services).

## Schedule L – Bid Irregularities

The Financial Services department together with the requisitioning department will evaluate all submissions and may be required to disqualify a vendor's submission. The disqualified supplier will be advised prior to Council award. A formal letter will be issued, and a debriefing offered after the award; and

The Financial Services department may amend the list of irregularities as new actions arise.

Reasons for disqualification are outlined in the following table.

#	Action	Irregularity	Result
1	Late submission of sealed tender/proposal/quotation package to the Township (by any amount of time)	Major	Automatic Rejection
2	Did not attend and sign in at a mandatory meeting held for bidders.	Major	Automatic Rejection
3	Company submitting a bid has been disqualified from participating in a competition during the time of the competition request because of past performance.	Major	Automatic Rejection
4	The Form of Tender (Form of Proposal) and/or mandatory submission sheets are completed in pencil.	Major	Automatic Rejection
5	Bid Surety or Agreement to Bond is not submitted in the submission package as stated in the competitive request (or any addenda) that such surety is mandatory.	Major	Automatic Rejection
6	Submitted an unsealed bid or proposal response package or envelope. (Does not apply to electronic tendering).	Major	Automatic Rejection
7	Terms of the bid surety and/or Agreement to Bond are not as	Minor	Financial Services may request the

	stated in the Request; the surety received is not in the form requested; for example, submitted a bond when not requested		submission be rectified
8	Price, mandatory items required for evaluation or signature pages are missing from the submission package	Major	Automatic Rejection
9	Execution of Agreement to Bond:  a) Bond company corporate seal or equivalent proof of authority to bind company or signature is missing  b) Surety company not licensed to do business in Ontario	Major	Automatic Rejection
10	Execution of Bid Bonds:  a) Corporate seal or equivalent proof of authority to bind company or signature of the person with the authority to bind the company or both are not on the Acknowledgement and Estoppel Form /Proposal Form supplied in the request document  b) Corporate seal or equivalent proof of authority to bind the company or signature of Bonding Company missing	Major	Automatic Rejection
11	Other Bid Security:  a) Cheque which has not been certified by a Canadian Bank or an error made on the certified cheque  b) Bank Draft not on the official form of the Canadian Bank  c) Letter of Credit not from a Canadian Bank or signed	Major	Automatic Rejection

12	A specific term of the competitive request or of the process identified in the request document is not followed and this is cause for the perception of an unfair advantage to the other bidders in the competitive process; for example, lobbying	Major	Automatic Rejection
13	Insufficient amount of the financial security (i.e. no deposit or bid bond or insufficient deposit)	Major or Minor	Automatic Rejection unless amount is not specified in request and insufficiency is trivial or insignificant
14	Execution of the Form of Tender or Acknowledgement Form of proposal is not executed or executed by a person without authority or the original signed form is not submitted, and it is a photocopy.	Major	Automatic Rejection
15	Rules of the process identified in the request document are not followed but there isn't any substantial consequence to the result of the competition; information requested but not mandatory was not submitted and it is noted in the evaluation but there isn't any substantial consequence	Minor	Financial Services may determine that the non-compliance is minor and receive the document for evaluation.
16	Bid received on documents other than those provide in request	Minor	Automatic Rejection unless specified otherwise
17	Strike outs or changes to the submission that are legible but not	Minor	1 working day to make changes; Township reserves

	initialled by the signing authority		the right to waive initialling and accept bid if it does not significantly affect the price/offer
18	Illegible submissions – unable to clearly evaluate a submission	Major	Automatic Rejection
19	Pages with mandatory information required by the vendor are missing or left blank	Major	Automatic Rejection
20	Unsolicited alternative offer shall not be considered	Major	Automatic Rejection
21	Alternate items bid in whole or in part	Minor	Available for consideration if the request invites alternative goods
22	Other mathematical errors which are not consistent with the unit prices	Minor	Unit prices will govern when a total price is incorrect; where a bid deposit is incorrect, a 24-hour period is permitted to correct the bid deposit; automatic rejection if not corrected
23	Bid documents which suggest that the bidder has made a major mistake in calculations or bid	Minor	Consultation with the Township Solicitor and referenced within a staff report