

SCHEDULE "A" TO BY-LAW NO. 1946

THE CORPORATION OF THE TOWN OF BLIND RIVER

POLICY FOR THE PROCUREMENT OF GOODS & SERVICES
(Purchasing Policy)

Part 1 – Short Title

- 1) This policy may be cited as the "Purchasing Policy" and applies to the purchase of goods and services including professional and consulting services.

Part 2 – Purpose of Purchasing Policy

- 2.1 The purpose of this policy is to set out guidelines for the Municipality to ensure that all purchases of materials, supplies and services provide the lowest costs consistent with the required quality and service.
- 2.2 An open and honest process shall be maintained that is fair and impartial.
- 2.3 The purchasing policy will promote and maintain the integrity of the purchasing process and protect Council, vendors and staff involved in the process by providing clear direction and accountabilities.

Part 3 – Purchasing Responsibilities

3.1 Expenditure Authorization

- 3.1.1 Town Council has ultimate authority for all expenditures. Council delegates this authority by the approval of budgets or by specific resolution. Payment cannot be made for any item that has not been authorized by Council through budget appropriation or specific resolution. This purchasing policy provides guidelines outlining how spending authority is to be used.
- 3.1.2 Any Capital Expenditure not provided for in the annual budget requires prior Council approval by resolution.
- 3.1.3 Prior to the adoption of the budget in any given year, the Clerk Administrator is authorized to pay the accounts for any ordinary purchases that are required to maintain services, subject to the guidelines in this purchasing policy.

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4. General Guidelines

- 4.1 Expenditures amounting to \$ 2,000.00 or less are at the discretion of each department head.
- 4.2 Expenditures between \$ 2,000.00 and \$ 5,000.00 require three verbal or written quotations, whenever possible, which shall be recorded and filed. Clerk Administrator’s authorization required prior to purchase.
- 4.3 Expenditures between \$ 5,000.00 and \$ 15,000.00 requires that specifications be submitted to the Clerk Administrator for advertising or invitations to suppliers, as Council may direct. Written quotations to be submitted to Council for approval.
- 4.4 Expenditures that exceed \$ 15,000.00 must be publicly tendered in accordance with the Municipal Tendering process.
- 4.5 Adherence to this policy is not required with respect to replacement parts where the original equipment manufacturer is the sole provider of that equipment. (i.e. Champion road grader)
- 4.6 No contract or purchase shall be divided to avoid any requirements of this policy.

5. Private Sales, Public Auctions

- 5.1 Purchase of used equipment that is sold by other Municipalities, by private sale or public auction, requires prior Council approval and direction with regard to items to be purchased and spending limits.

6. Emergency Purchases

- 6.1 Department Heads may circumvent the purchasing policy or procedure under certain conditions that may interfere with the health, safety, life or convenience of the citizens.
- 6.2 After an emergency, a Department Head will file with the Clerk Administrator, a full written report on the circumstances of the emergency purchase.

7. Purchase Orders

- 7.1 A purchase order is to be used for the purchase of goods and services and is to be completed by the Department Head or designate.
- 7.2 All purchase orders are to indicate the supplier name, price of goods/services, any delivery charges applicable and an account number/description of which budget account the purchase is to be charged to, as well as approval signatures.
- 7.3 The original purchase order is to be mailed or faxed to the supplier.
- 7.4 Upon receipt of the goods requisitioned, the yellow (2nd) copy is to be turned over to the accounts payable department for processing, with a note on it indicating that the goods have been received.
- 7.5 The pink (3rd) copy is retained by the Department for its records.
- 7.6 Purchase orders will not be required for the following purchases:
- Courier and other shipping charges
 - Postage
 - Payroll
 - Travel advances, meal allowances, hotel accommodations and travel claim forms
 - Health Insurance Invoices
 - Payment to government agencies, Receiver General, Ministry of Finance, union dues, etc.
 - Utilities – electricity, natural gas, water, telephone
 - Contracts for equipment, i.e. photocopies, alarm systems
 - Employment contracts
 - Service contracts, i.e. recycling, waste pick-up
 - Subscriptions/memberships approved by the finance committee
 - Petty cash vouchers
 - Professional engineering services when contracted by Council
 - Land leases i.e. C.P.P., M.N.R.
 - Debenture payments
 - Grants to Committees/Boards
 - Honourariums

8. Petty Cash

- 8.1 A petty cash fund in the amount of \$ 300.00 shall be maintained by the Clerk Administrator.
- 8.2 Requests for petty cash reimbursements must be accompanied by an official receipt for the cash payment made and the account to which it is to be charged indicated on it.

9. Tender Process

- 9.1 Tenders will be called for all work, equipment, materials or services with a value exceeding \$ 15,000.00 by way of public advertising or invitational bids, as directed by Council.
- 9.2 Tender documents, plans and specifications will be prepared where possible by Municipal staff or by engineers retained by the Town to work on general or specific projects. Council will determine if bid bonds or tender deposits are required and the value of same.
- 9.3 The Clerk Administrator shall be responsible for the advertising of tenders in a newspaper having general circulation in the municipality and on the Community Channel TV 10 or in the case of invitational bids, distribution to the appropriate firms.
- 9.4 The tender closing date is usually 15 days after date of issue (per Council resolution) however, a tender may be closed in a shorter or longer period of time depending on the urgency or complexity of the project being tendered.
- 9.5 Tenders to close at 2:00 P.M. on the appointed day and are to be opened publicly at 2:15 P.M. unless otherwise specified in the tender document.
- 9.6 All tender submissions must be addressed to the Clerk Administrator per the tender instructions and delivered to the Municipal Office at 11 Hudson Street. Upon receipt by the time and date specified in the tender documents, all sealed tender submissions will be stamped as to the date and time received and be initialled by the receiving clerk.
- 9.7 Tender submissions not sealed in an envelope and clearly marked as to contents or received after the 2:00 P.M. deadline (or other time specified) will not be accepted for consideration.

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- 9.8 The Clerk Administrator/Designate and at least two members of Council shall be present during the public opening of Tenders.
 - 9.9 After opening and the results read, the tenders will be passed on to the appropriate staff person(s) and/or Engineering Consultant for review and evaluation.
 - 9.10 The appropriate staff person/Engineering Firm will issue a tender report and recommendation to Council for consideration and approval by resolution.
 - 9.11 The Municipality reserves the right to reject the lowest or any bid in its absolute discretion and also reserves the right to re-issue the tender documents in its original format or modified as best suits the requirements of the Municipality.
10. The Purchasing Policy will be reviewed on an ongoing basis for effectiveness and revised as required should any problems be encountered.
 11. The Clerk Administrator, Department Heads and Municipal Staff will be responsible for the administration of this policy.