

THE CORPORATION OF THE TOWN OF TILLSONBURG



PURCHASING POLICY

APPROVAL DATE:	REVISION DATE: 11/23/15		Page 1 of 8
APPENDICES:			

TABLE OF CONTENTS

1.0	DEFINITIONS.....	2
2.0	POLICY STATEMENT.....	4
3.0	ESTABLISHING PRICE RANGE.....	4
4.0	ACCOUNTABILITY.....	5
5.0	PRESCRIBED COUNCIL APPROVAL.....	6
6.0	EXCEPTIONS.....	6
7.0	NO LOBBYING.....	7
8.0	HEALTH AND SAFETY.....	7
9.0	CO-OPERATIVE PURCHASING.....	7
10.0	DISPOSAL OF SURPLUS.....	7
11.0	TIE BIDS.....	7
12.0	DELEGATION OF AUTHORITY TO PURCHASE.....	7
13.0	OTHER.....	7



BY-LAW No. 3967
OF THE
CORPORATION OF THE TOWN OF TILLSONBURG

A BY-LAW TO PROVIDE FOR THE PURCHASE OF GOODS AND SERVICES

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF TILLSONBURG HEREBY ENACTS AS FOLLOWS:

1.0 DEFINITIONS

In this By-Law:

- a) *"Agent"* shall mean the Treasurer or designate who has the sole authority to authorize, save and except the Mayor and Clerk, to execute contract documents on behalf of the Town;
- b) *"Bid"* shall mean (i) a specific price for specific works or (ii) where appropriate, a proposal;
- c) *"Buyer"* shall mean the employee responsible for the procurement of goods and services for the Town; individual responsible for ensuring that the purchasing by-law, policies and procedures are consistently applied in the departments, and who serves as a resource to Departments in support of the purchasing function;
- d) *"CAO"* shall mean the Chief Administrative Officer of the Town of Tillsonburg; and
- e) *"Clerk"* shall mean the Clerk of the Town appointed pursuant to the Municipal Act 2001, as amended, or in her absence, the Deputy-Clerk or such other person designated by the Council by resolution for the purposes of this By-Law;
- f) *"Department Manager"* shall mean the individual or designate who is accountable for the budget and responsible for the operations of any single department or division within the Town;
- g) *"Director"* shall mean the individual accountable for the operation of overall departments within the Town;
- h) *"Emergency"* shall mean a situation, or the threat of an impending situation, where serious delay may affect the life, safety, health or welfare of the general public, cause

damage to the environment or to the property of the residents of the Town, or to prevent serious damage, disruption of work, or to restore or to maintain essential service to a minimum level;

- i) *"Goods and Services"* shall include all supplies, materials, equipment, furniture, fixtures, general maintenance and service construction contracts, construction maintenance, contractors, and or subcontractors, food, drugs and professional services, but does not include real property;
- j) *"His"* shall in all cases mean his or her and *"he"* shall in all cases mean he or she;
- k) *"Prescribed Forms or Forms"* shall mean the standard documents as provided as part of the purchasing procedure guidelines as approved by the CAO;
- l) *"Professional Services"* shall mean the services of architects, engineers, designers, surveyors, management and financial consultants, brokers, lawyers, planning consultants, project managers and any other professional and consulting services required by the Town;
- m) *"Purchase"* shall mean the acquisition of Goods and Services or any interest therein by purchase, lease, rental or otherwise;
- n) *"Quotation"* shall mean a written request for vendor bids for the supply of goods or services, from selected sources of supply, not opened in public;
- o) *"Request for Proposal"* shall mean a formal request for details on the supply of goods or the provision of services, which cannot be fully defined or specified at the time of the request;
- p) *"Supplier"* shall mean any company or organization that provides, or has the capacity to provide, certain Goods or Services to the Town in accordance with the terms of this By-Law;
- q) *"Tender"* shall mean a formal request for sealed Bids for the supply of Goods and Services in response to an advertised solicitation;
- r) *"Town"* shall mean The Corporation of the Town of Tillsonburg;
- s) *"Vendor of Record"* shall mean an approved vendor.

2.0 POLICY STATEMENT

2.1 Objectives

The objective of the policy is to ensure:

- a) best value is achieved consistent with the required quality and service;
- b) integrity in the purchasing process;
- c) openness, accountability and transparency and fair treatment of all bidders;
- d) encouraging bids through e-bidding, newspaper(s) and website(s).

2.2 Guidelines

- a) No Purchase shall be made except as provided in this By-Law.
- b) No Purchase shall be split so as to avoid the purchasing process as outlined within this By-Law.
- c) Council has the ultimate authority for all expenditures. Council delegates this authority by the authorization of budgets or by specific resolution.
- d) Prior to the approval of the current year's business plan and budget, a department may incur normal operating expenditures that are required to maintain services. This shall include the payment of expenditures on previously approved capital items and projects.
- e) No contract shall be entered into and no expenditure shall be authorized unless Council has provided funds for such purpose in the annual budget or agreed to the provision of such funds.
- f) The Department Managers, Directors, Fire Chief or the CAO shall ensure that all provisions of this By-Law are complied with in respect of the purchase of Goods and Services for or on behalf of his department and are responsible for the approval of accounts within the approved budget for the department.
- g) This purchasing policy may be overridden by Council if Council, in its own discretion determines it to be appropriate and in the best interest of the Town.
- h) The Director of Finance shall maintain written procurement procedures and procurement shall adhere to those procedures.

3.0 ESTABLISHING PRICE RANGE

Purchase prices shall be obtained as follows:

- **Up to \$2,500** – For purchases up to \$2,500, comparison pricing must be completed by the assigned Buyer.
- **\$2,500 to \$10,000** - For any purchases, other than those covered by a vendor of record, when the amount is between \$2,500 to \$10,000, the assigned Buyer making the purchase shall obtain quotations from more than one source using catalogues, suppliers' lists, online pricing or through negotiations, upon assuring themselves that all prices offered are fair and equitable.

- **\$10,000 to \$35,000** - For all purchases between \$10,000 and \$35,000, a minimum of 3 written quotations must be obtained by the assigned Buyer.
- **Over \$35,000** – By Tender or Request for Proposal.

The above prices shall be on a before-tax basis. Adherence to the above does not apply to circumstances addressed in section 6.

QUICK GUIDE TO PURCHASING GUIDELINES

Purchasing Mechanism	Dollar Value of Purchase	Approval Authority & Authority to Award
Small Order Purchase	Up to \$2,500	Department Manager
Price Quotes	\$2,500 – \$10,000	Department Manager or Director approves; purchaser made through Departmental Buyer
Written Quotation	\$10,000 – \$35,000	Department Manager Director or CAO
Tender, Request for Proposals or Sole Source Purchases	\$35,000 +	Council

4.0 ACCOUNTABILITY

- The CAO shall maintain accountability to Council during the procurement process.
- No purchase of Goods and Services shall be made by the Town for the personal use of elected or appointed officials or employees of the Town.
- No Goods and Services shall be purchased from an employee of the Town, or from any associate of such employee, unless the extent of the interest of such employee has been fully disclosed and the purchase has been approved by the CAO.
- The Agent oversees the Town's purchasing process and compliance thereof. Only the Agent, Mayor or Clerk has the authority to execute contract documents on behalf of the Town.

5.0 PRESCRIBED COUNCIL APPROVAL

The following Purchases shall be subject to Council approval:

- a) any contract prescribed by statute to be made by Council;
- b) any contract that requires debt financing;
- c) any contract where this By-Law is being waived;
- d) any contract where Council has expressly directed staff to report prior to an award;
- e) any contract where a submission in response to a call for Bid contains an irregularity that cannot be resolved by terms of the Bid; or,
- f) any contract for a Purchase made in accordance with section 6.0 (b);
- g) any contract for a tender or request for proposal as required under this policy.

Council may waive, by resolution, the application of any part of this By-Law in respect of any given procurement.

6.0 EXCEPTIONS

- a) When an emergency occurs that, at the discretion of the CAO, Director, Fire Chief, or Department Manager, constitutes immediate danger to health, safety, life or property, or requires the immediate procurement of goods and services, the Department Manager or his/her designate may purchase through sole sources, such required Goods or Services upon consultation with the Director or CAO. A follow-up report to Council is required for all Emergency Purchases over \$5,000.
- b) The Tendering, RFP or purchasing process may not be required where the Goods or Services are proprietary to one vendor, where there is only one supplier that can meet the Town's needs within a reasonable distance or where the cost of changing suppliers for a product or service already in place is deemed to be exorbitant by the CAO. Upon written staff recommendations, Council shall, in its' sole discretion determine whether a Bid, RFP or purchasing process may be forgone for these reasons. Such exemption must be granted by resolution.
- c) Notwithstanding the provisions of this policy, the following expenditures must be made subject to budget constraints and may be made without following the formal purchasing procedures detailed herein;
 - i) Petty cash items
 - ii) Training and education including conferences, courses and seminars
 - iii) Mileage, travel and accommodations
 - iv) Payroll related expenses
 - v) Utilities, postage, bank charges
 - vi) Licensing, maintenance and software support for prior purchases;
 - vii) Professional Services.

7.0 NO LOBBYING

No bidder shall contact any member of Council or any Town staff in an attempt to influence the award of a contract.

If a bidder contacts any member of Council or any Town staff in an attempt to influence the award of a contract, the bidder may be disqualified at the discretion of the CAO.

8.0 HEALTH AND SAFETY

The Town is committed to the health and safety of their employees, contractors, visitors and the general public. This includes a commitment to Health and Safety in the procurement process.

9.0 CO-OPERATIVE PURCHASING

The Town may participate with other government agencies or public authorities in co-operative purchasing. The policies of the government agencies or public authorities calling the Co-operative Bid are to be the accepted policy of that particular Bid.

10.0 DISPOSAL OF SURPLUS

Where any goods or personal property of the Town are declared surplus, cannot be used by another Town department, and have a residual value greater than \$1,000, the goods shall be disposed of by public Bid or public auction. If no Bids are received, the Departmental Manager or Buyer may dispose of the goods or personal property as deemed to be in the best interest of the Town. This section shall not apply to goods or equipment traded in on new equipment or returned for credit to original sources of supply.

11.0 TIE BIDS

In the event that two (2) or more compliant, equal bids are submitted during a competitive Bid process, the Town shall determine the successful bidder by drawing a bidder's name, as determined by the CAO.

12.0 DELEGATION OF AUTHORITY TO PURCHASE

The authority to purchase Goods and Services may be delegated or assigned to a local Board following the dollar thresholds as set out in this Policy.

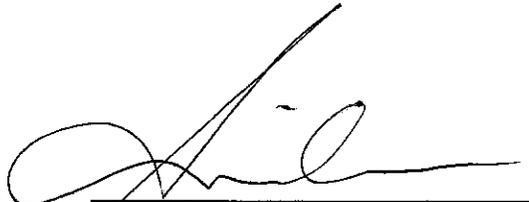
13.0 OTHER

Where any other By-Law exists which is in conflict with a provision of this Policy, the provision of this Policy shall be deemed to apply.

This Policy shall be reviewed and updated, as appropriate, every five (5) years, following the date of its enactment.

READ A FIRST AND SECOND TIME THIS DAY OF , 2015.

READ A THIRD AND FINAL TIME AND PASSED THIS DAY OF , 2015.



MAYOR – Stephen Molnar



Lucia Smith - Deputy Clerk
as per CLERK - Donna Wilson