

POLICY MANUAL	Policy No. 1-12
For the United Counties of Stormont, Dundas & Glengarry	Effective Date: January 1, 2017 Approved January 1, 2014 Approved November 17, 2008
Subject: Purchasing Policy	Department: All Departments

1- LEGISLATIVE AUTHORITY

The Municipal Act, S.O. 2001, Section 270, as amended, states that a municipality and a local board shall adopt and maintain policies with respect to its procurement of goods and services.

2- POLICY STATEMENT

This policy establishes purchasing processes that will ensure efficient and effective purchasing in an open, fair and accountable environment.

3- APPLICATION

This purchasing policy applies to all purchases of goods and/or services by all departments, boards and committees of the United Counties of Stormont, Dundas and Glengarry.

4- PURCHASING PRINCIPLES and GOALS

The purchasing principles and goals of the United Counties of Stormont, Dundas and Glengarry are as follows:

- a) Efficient and effective purchasing ensures that the optimum quality, quantity, and timely receipt of goods and services are obtained at the best value and appropriate cost on a continual basis.
- b) An open and honest purchasing process shall be maintained that encourages competition as practical, and is consistently fair and impartial.
- c) Group or cooperative purchasing across Departments, with other Municipalities &/or organizations, will be encouraged when beneficial and practical.
- d) Goods and services will be acquired through the application of the highest standards of business ethics.
- e) The purchasing process will maintain the integrity of the County and provide clear direction to and accountabilities of Council, Staff and Suppliers.

5- ETHICS

It is paramount that the conduct of Staff, Council, Suppliers and other stakeholders involved in procurement be ethical, professional and accountable. All participants in procurement must comply with the following:

- a) **Accountability and Transparency:** Procurement activities must be open and accountable. Procurement activities must be fair, transparent and conducted with a view to obtaining the best value for public money. All participants must ensure that public sector resources are used in a responsible, efficient and effective manner.
- b) **Personal Integrity and Professionalism:** Individuals involved with procurement must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all procurement activities. Respect must be

demonstrated for each other and for the environment. Confidential information must be safeguarded.

- c) Conflict of Interest: Participants must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products. Participants must disclose any pecuniary interest, direct or indirect, to the Department Head involved or CAO.

6- BUDGETARY CONTROL

All purchases must be provided for and have sufficient funds remaining within the Council approved current budget, unless specifically approved by Council following the method outlined below. Prior to Council approval of the current budget, a Department Head or designate may incur normal operating expenditures.

The expenditures approved in the current budget shall not be exceeded by the lesser of 10% or \$50,000 without the prior approval of Council, except as outlined under the Emergency Method of purchasing. Specific over-expenditures may be approved by Council if:

- i. the intent of the account is not changed; and
- ii. the department's budget as a whole is not over spent; and
- iii. total County expenditures are within budget; or
- iv. Council determines the over-expenditure is in the best interest of the County and provides specific authorization.

7- REVIEW

All purchasing activities will be subject to external audit.

This policy will be reviewed by Council every five years or earlier as required.

8- GENERAL CONDITIONS

- a) No employee or elected official shall purchase or offer to purchase, on behalf of the County, any goods or services, except in accordance with this policy.
- b) Prices and authority levels as stated in this policy are intended to be before tax amounts. Prices outlined within this policy to determine the appropriate purchasing method, does not prevent the use of a purchasing method with a higher level of controls. The Department Head has the authority to exceed the minimum requirements, as outlined in this policy, if such action is considered necessary and in the best interest of the County.
- c) No purchase shall be divided to avoid any requirements of this policy. Annual aggregate value or total project cost of required goods and services should be considered prior to determining the appropriate purchasing method.
- d) This policy will adhere to all applicable Federal and Provincial legislation as required, including contract law and the law of competitive processes. Under the Accessibility for Ontarians Act, 2005, purchasing decisions will have regard to their impact on accessibility for persons with disabilities and the United Counties of Stormont, Dundas and Glengarry shall incorporate applicable criteria and features when procuring or acquiring goods, services or facilities, except when it is not

practicable to do so. If it is determined that it is not practicable to incorporate accessibility criteria, an explanation will be provided upon request.

- e) While adhering to the Municipal Freedom of Information and Protection of Privacy Act, data received during a purchasing process will normally be considered as public information, unless clearly and specifically identified as confidential information within an individual bid submission. When bids are opened in public limited information will be announced (usually the name of each bidder and their total bid price) and any further information will remain confidential until all bids have been analysed and evaluated. Data will be provided to the public upon request on current year purchasing as well as one dormant year if easily available, but no historical data on prior years will be researched for the public and/or other vendors.
- f) Bids received may be evaluated on features such as, but not limited to, fulfilling requested specifications; vendor qualifications; experience; past performance; materials & equipment used; purchase terms; quality; methodology; scheduling; etc. Total acquisition costs will be considered including, but not limited to, operating, training, maintenance, lifecycle cost analysis, availability, staff time, warranties, payment terms, disposal, etc.
- g) Any purchasing or bid solicitation may be cancelled at any time up to contract award but preferably prior to opening of bids. If only one bid is received the County has the option of not opening the bid and cancelling the procurement. Council may cancel the procurement if awarding the purchase would result in the approved budget being exceeded.
- h) In the event that a Consultant is engaged to coordinate the purchasing of any goods or services, it shall be the responsibility of the respective Department Head to ensure that all conditions of this policy are adhered to.
- i) In order to be eligible to perform work on County property, all Contractors must provide evidence of appropriate insurance and current Workplace Safety Insurance Board clearance. These documents will be obtained and filed by the issuing department. All Contractors will follow the requirements under the County's Health & Safety Policy and Procedures Manual. Vendors must provide Material Safety Data Sheets (MSDS) for all relevant products being purchased by the County.
- j) No acquisition of any goods or services will be made from any County employee, elected official, or their companies, unless prior approval is received from the CAO who will consider each purchase on its individual merits. The CAO may also permit and consider in-house bids on its individual merits.
- k) No personal purchases shall be made by the County for an employee, elected official or any appointed member of a Board or Committee, unless specifically authorized by the CAO.

9- RESPONSIBILITIES AND AUTHORITIES

a) Council

Council has the ultimate authority on all expenditures. Council provides some authority to staff through their approval of the annual budget and Council also establishes procedures and limitations for staff through this purchasing policy.

b) CAO

The CAO has the authority to instruct a Department Head not to award a specific purchase him/herself and may direct the Department Head to submit a recommendation to Council for their approval.

The CAO must review and approve non-competitive or sole-source purchases as required in Schedule B to this policy. The CAO must be knowledgeable about occurrences of emergency purchases.

The CAO must sign all contracts over \$50,000 unless Council's award resolution identifies that a specific Department Head has this authority.

c) Department Heads

Department Heads are responsible for all purchasing activities within their department and are accountable for adherence to this policy. They must ensure that all requirements of this policy are fully understood and followed by their respective staff.

Department Heads will designate the appropriate staff within their department with purchasing responsibility and identify each within an approval level and will notify the Financial Services Department of all designations.

Department Heads or their Designate will determine the appropriate purchasing method to be used as outlined within this policy.

The Department Head or Designate whose budget provides for the goods or services shall be responsible for the preparation of all specifications and/or terms of reference that may be necessary for the purchase. They will coordinate the necessary timing of purchase procedures and forecast lead-time when council approval is necessary. They will also administer tender calls, evaluate bids, report to Council when required, obtain any required contract signatures and monitor contracts.

The Department Head must sign all contracts and agreements under \$50,000. When requesting Council approval for a purchase, the Department Head may also request authority from Council to sign the necessary contract or agreement; if this authority is not approved in Council's resolution, the CAO must sign any contracts and agreements over \$50,000.

The Department Head or Designate will ensure that a record of all tenders and quotations received on a purchase will be maintained by the issuing Department; as well as any required WSIB, insurance, Health & Safety, or any other applicable documentation. These documents will be subject to external audit.

The Department Head or Designate will identify the appropriate expense account to which the purchase will be charged and which has sufficient funds remaining in the Council approved budget.

d) Department Head Designates

Department Heads will designate the appropriate staff within their department with purchasing responsibility and identify each within an approval level and will notify the Financial Services Department of all designations.

Department Head Designates are accountable for their adherence to this policy and must fully understand all requirements of this policy.

Department Head Designates will determine the appropriate purchasing method to be used as outlined within this policy and, if unsure will consult with their Department Head.

Department Head Designates will ensure that their payment approvals are within the limits established in this policy.

The Department Head or Designate whose budget provides for the goods or services shall be responsible for the preparation of all specifications and/or terms of reference that may be necessary for the purchase. They will coordinate the necessary timing of purchase procedures and forecast lead-time when council approval is necessary. They will also administer tender calls, evaluate bids, report to Council when required, obtain any required contract signatures and monitor contracts.

The Department Head or Designate will ensure that a record of all tenders and quotations received on a purchase will be maintained by the issuing Department; as well as any required WSIB, insurance, Health & Safety, or any other applicable documentation. These documents will be subject to external audit.

The Department Head or Designate will identify the appropriate expense account to which the purchase will be charged and which has sufficient funds remaining in the Council approved budget.

e) Staff

All staff of the County and its Boards and Committees will adhere to this purchasing policy and its procedures.

Staff will report to their respective Department Head any inconsistencies to this policy that they become aware of. Staff will also provide feedback to their Department Head on any inefficient purchases that are witnessed or instances of poor performance or supply of goods by vendors.

Any staff receiving a delivery of goods and asked by the vendor to sign delivery slips, freight bills, or bills of lading must reasonably verify that the goods are not damaged and are correctly described with actual quantities received.

f) Financial Services Department

The Financial Services Department must ensure that payment for purchases will only take place upon receipt of a valid invoice or appropriate supporting documentation from a vendor and is responsible for ensuring that no payments are made without appropriate approval within the limitations outlined within this policy. Invoices that do not contain the information required by this policy will be returned to the applicable Department to be completed.

The Financial Services Department will maintain a listing of all employee invoice approval levels as designated by each Department Head and ensure that all invoices are properly signed/initialed by appropriately designated staff.

The Financial Services Department is responsible for maintaining invoices and payment data in an orderly and secure fashion.

The Financial Services Department will reconcile all purchase card charges to the monthly purchase card statements and will review charges for compliance to this policy and the Purchase Card Agreement.

10- COOPERATIVE PROCUREMENT

Cooperative purchasing across Departments, with other Municipalities &/or organizations, will be encouraged when beneficial and practical. Arrangements may be made with one or more other public entities for cooperative procurement in order to obtain the benefits of volume purchases or administrative efficiency.

When another public entity is conducting the procurement, the Department Head must ensure that the public entity has an approved Procurement Policy. When participating in a cooperative procurement conducted under another public entity's Procurement Policy their policy will guide the solicitation and purchasing method and this policy will determine the approval process and required authorizations including the budgetary controls, required approvals, execution of contracts, etc.

11- SUSPENSION OF SUPPLIERS

Without limiting or restricting any other right or privilege of the County, the Department Head and CAO together will suspend a supplier from having the opportunity to make any future submissions or otherwise provide goods or services to the County for a period of three (3) years if any of the following circumstances exist or have existed in the three-year period immediately preceding the date of award. A supplier will be removed from consideration for procurement contracts and any submission will be rejected for any of the following reasons:

- i. The supplier or supplier's Principals are or have been engaged in a lawsuit or other legal proceedings against the County;
- ii. The supplier failed to honour a bid submitted in response to a previous County procurement process;
- iii. The supplier failed to disclose an actual, potential or perceived conflict of interest in connection with the current or a previous County procurement;
- iv. The supplier or supplier Principals was convicted of bid-rigging, price-fixing, collusion, or other statutory offense;
- v. The supplier engaged in unethical business practices; or

- vi. The supplier has significant performance issues, which have been documented by staff, on a previous County procurement process including the supplier's failure to follow directions from the County and to cure a default.

12- TENDER REJECTION CRITERIA

The applicable Department Head or Designate will determine any major or minor tender irregularities as outlined in Schedule "C" Tender Rejection Criteria. All tenders received, inclusive of tenders containing any irregularity, will not be evaluated until the irregularity is resolved.

13- TIE BIDS

In the case of any tie bids, the successful Bidder will be determined by a draw, conducted by the applicable Department Head and a second County employee. The tied Bidders may be present, if they wish to attend.

14- DISPOSAL OF SURPLUS GOODS

Identification and disposal of surplus goods (excluding land) will be completed by the applicable Department Head. Sale of any land will adhere to the Sale and Disposition of Surplus Land Policy No 1-14. Surplus goods will be disposed in a manner that the County will receive the highest return, including but not limited to:

- i. Trade-in towards the acquisition of other goods,
- ii. Public auction,
- iii. Issuance of a request for tender or quotation,
- iv. Donating to a charitable organization registered with the Canada Revenue Agency,
- v. Classifying as waste and scrapping, dismantling, destroying &/or disposing.

15- TYPICAL PURCHASING METHODS

Higher valued purchases, as outlined below, will typically follow the proposal or tender method of procurement. Determining the appropriate method should be based on:

Request For Proposal (RFP): The purpose of an RFP is to request suppliers to provide solutions for the delivery of complex goods or services, or, where explicitly required, to provide alternative solutions. An RFP process uses multiple predetermined evaluation criteria, including price.

Request For Tender (RFT): The purpose of an RFT is to request suppliers to submit bids to provide goods or services based on stated delivery requirements, performance specifications, terms, and conditions. An RFT process focuses the evaluation criteria predominantly on the price and delivery requirements.

a) Proposal Method (Any dollar value)

This method of purchasing may be used where the expertise for developing proper specifications lies in the hands of a supplier(s), or where additional information is required and it is impractical to call tenders. Engagement of professional or consultant services could be completed through the proposal method.

The goods or services are not described in detail by the County in a solicitation document but a written outline of the objective, purpose, desired results, and/or need of the goods and services is produced and form part of the Request For Proposal.

Request For Proposals may be advertised publically with the Department Head determining the newspapers, frequency, advertisement format, and/or use of other methods of advertisements to be the most effective in each circumstance. Posting through an electronic system that is readily accessible by all suppliers is encouraged.

At least three (3) proposals shall be required and will also be required when engaging professional or consulting services. When at least three proposals cannot reasonably be obtained, the Department Head shall report this to the CAO.

Proposals will be evaluated using multiple predetermined criteria in which price is not the only factor. The evaluation criteria and scoring method shall be included in the solicitation document and cannot be deviated from during the evaluation. Evaluation criteria may include, but is not limited to: vendor qualifications & experience, past performance, satisfactory reference checks, materials & equipment used, purchase terms, quality, methodology, scheduling, total acquisition costs, etc. The process may involve negotiations subsequent to the submission of proposals on any of the specifications, contract terms and prices.

The Department Head and CAO will approve purchases through the proposal method costing less than \$50,000 and Council will approve purchases over \$50,000.

The CAO must sign all contracts over \$50,000 unless Council's award resolution identifies that a specific Department Head has this authority. The applicable Department Head may sign contracts less than \$50,000.

All communications and questions related to any solicitation document must be made to the specific contact person listed in the procurement document.

All proposals received and any other relevant data will be filed by the issuing department and maintained for two years or longer as determined by the Department Head.

b) Tender (\$50,000.00 and over)

Unless the Proposal Method of purchasing is followed, formal tendering practices shall apply for the purchase of all goods and services where the estimated value is or will exceed the amount of fifty thousand dollars (\$50,000.00).

Request for tender documents will include a clear description of the required goods or services. Goods or services must be described in generic and/or functional terms specific to the County's needs. Where it is necessary to provide specifications in non-generic and or non-functional terms, the specifications must set out the performance requirements in a manner that would not unfairly favour certain suppliers.

Request for tenders will be advertised publically with the Department Head determining the newspapers, frequency, advertisement format, and/or use of other

methods of advertisements to be the most effective in each circumstance. Posting through an electronic system that is readily accessible by all suppliers is encouraged.

If only one bid is received in response to a tender request, the County has the option of not opening the sole bid and closing the call for tender. The applicable Laws For Competitive Bidding will be followed if re-tendering is contemplated.

Tenders shall be opened at a predetermined time by the Purchasing Coordinator or designate, and a minimum of one other staff member.

Successful suppliers will be approved based, predominantly, on submitted price and delivery requirements. Council may, at its discretion, reject all submissions and cancel the tender.

Council will approve the successful supplier for tenders over \$50,000. If the tender method is used for any lower valued purchases, the Department Head may approve the successful supplier for tenders costing less than \$50,000.

The CAO must sign all contracts over \$50,000 unless Council's award resolution identifies that a specific Department Head has this authority.

All communications and questions related to any solicitation document must be made to the specific contact person listed in the procurement document.

All tenders received and any other relevant data will be filed by the issuing department and maintained for two years or longer as determined by the Department Head.

c) Written Quotation (Between \$5,000.00 and \$50,000.00)

Where the estimated value of goods and services to be purchased is five thousand dollars (\$5,000.00) or more but less than fifty thousand dollars (\$50,000.00), at least three (3) written quotations shall be required.

Where written quotations from at least three suppliers cannot reasonably be obtained, the Department Head or designate shall make a record of such circumstance.

The Department Head's Designate may approve quotations with a value up to \$10,000. The Department Head will approve quotations up to \$50,000.

The Department Head must sign any contracts and agreements under \$50,000.

All quotations received and any other relevant documents will be filed by the issuing department and maintained for two years or longer as determined by the Department Head.

d) Supplier Prequalification (less than \$20,000.00)

Supplier prequalification gathers information about supplier capabilities and associated hourly rates in order to identify qualified suppliers for work that is not well defined and the most practical method to complete the work is on an hourly basis. Examples of such activities include, but are not limited to, removing fallen

trees, disposing of road kill, general backhoe work (culvert replacement, sign installation), ditching, random geotechnical testing and the use of trucks and heavy equipment (with an operator) to compliment routine maintenance activities.

This type of purchasing must be completed in a competitive and transparent manner that allows equal opportunity for all potential suppliers. On a yearly basis the County will solicit hourly rates &/or material costs from qualified suppliers. Qualified shall mean: in full compliance with all legislated, insurance and safety requirements as outlined by this policy; familiar with the work location; and history of same-day availability. Suppliers will not be permitted to submit prices after the closing date outlined in the solicitation notice, unless no suppliers have submitted for a required specific type of equipment, material or location. Although under no obligation to use any supplier, the County will endeavor to utilize all qualified suppliers with comparable hourly rates who have submitted pricing subject to the location, quantity of work, price and past performance.

Council approval will be required when the supplier prequalification method will be used to complete a specific project that has an estimated value of greater than \$50,000.

e) Random Purchases (less than \$5,000.00)

Comparison pricing, such as oral quotations, commercial flyers or advertisements, promotional magazines, online research, etc, will be done where random purchases of goods and services with an estimated value of less than five thousand dollars (\$5,000.00) are contemplated. Pricing will be compared from 3 vendors in the competitive marketplace where possible and practical. Comparison pricing will be documented and maintained for two years or longer as determined by the Department Head. If comparison pricing is not possible or practical, the reason must be explained and documented with the purchase invoice.

Random purchases of the same goods (i.e. immaterial office supplies) may be made repeatedly from the same vendor if comparison pricing is obtained periodically (not to exceed five years) to confirm continued cost effectiveness.

Random purchases will be approved by the Department Head or Designate.

16- EXCEPTIONAL PURCHASING METHODS

a) Petty Cash

Payments may be made out of a petty cash fund for small purchases when it is not feasible to purchase through the normal accounts payable process. The petty cash balance will not exceed a total of \$500.00 in any one location. The Department Head will determine if a petty cash fund is required, as well as identifying the employee who will have custody of the petty cash.

All petty cash disbursements shall be evidenced by receipts. All petty cash and receipts must be kept in a secure location and will be reconciled each time it is replenished.

b) Purchase Card

Although most purchases should be made through the normal invoice & accounts payable process, occasionally County purchases may be made on a County purchase card. The number of County purchase cards issued will be kept to a bare minimum and are issued based on an employee's need to purchase materials for County business and is not based on title or position. Employees who are issued a purchase card must sign a Purchase Card Agreement outlining their responsibilities. The County reserves the right to withdraw purchasing card privileges from any employee at any time.

Purchase cards must be used for County approved purchases only and can never be used for any personal charges or cash advances.

A purchase card should not be used for purchases that can be processed through the normal accounts payable process or when charging to a purchase card will result in an increase to the cost or a lost discount.

Employees must provide individual vendor receipts to the Financial Services Department for all charges made on a purchase card. These receipts must clearly indicate all taxes included in the charge, be coded to the appropriate expense, and be approved for payment according to this policy. Payments will not be made based solely on the monthly purchase card statement but must be based on the individual vendor receipts provided to the employee at time of purchase.

The Financial Services Department will reconcile all purchase card charges to the monthly purchase card statements and will review charges for compliance to this policy and the Purchase Card Agreement. All discrepancies will be the responsibility of the card holder to investigate and resolve.

All purchase card transactions will be subject to external audit and periodic special in-depth audit.

c) Non-Competitive Purchasing

Non-competitive or sole-source purchasing cannot be used to avoid competition or to discriminate against specific suppliers. Non-competitive purchasing may be used under the circumstances outlined under Schedule "B" attached.

d) Additional Work Under Existing Contracts

Where goods or services have been purchased pursuant to a contract or agreement, and where a change in the goods, services or scope of the project occurs that has not been included in the contract and which necessitates the purchase of additional goods or services the following shall apply:

- (i) The Department Head reports to Council to obtain approval of the additional goods or services; or
- (ii) The Department Head may authorize the additional goods or services if the total cost does not exceed \$20,000 and there are sufficient funds within the approved budget; or
- (iii) The CAO may authorize the additional goods or services if the total cost is to be paid in full by a third party, and security to ensure payment is in place.

This clause may be used when it is necessary to include additional goods or services to an existing contract and cannot be used in order to avoid a competitive purchase process. Any savings must be shared with the County when a change to goods or services results in a lower cost.

e) Unsolicited Proposals

Any procurement activity resulting from the receipt of an unsolicited proposal shall comply with the provisions of this policy. A contract resulting from an unsolicited proposal shall be awarded on a non-competitive basis only when the procurement requirements comply with the non-competitive procurement circumstances within this policy.

f) Emergency Method

The emergency method of purchasing may be used when the circumstances warrant immediate action or when time is a constraining factor or when health, safety and public interest are in jeopardy.

All emergency purchases must be approved by the Department Head and reported to the CAO. If applicable, the Department Head must sign any contracts and agreements.

Where this method of purchasing results in an over-expenditure or an unbudgeted expenditure, the Department Head shall report the circumstance of the expenditure to Council at the next regular meeting.

g) Market Conditions

Notwithstanding the provisions of this policy, where market conditions are such that long term price protection cannot be obtained for goods or services, the Department Head or Designate may obtain competitive prices for short term commitments until such time as reasonable price protection and firm market pricing is restored.

17- APPROVAL of PAYMENTS for ALL METHODS OF PURCHASING

Council has ultimate authority for all expenditures and delegates some of this authority by the approval of annual budgets and this Purchasing Policy. Formal approval of the annual budget constitutes financial approval to proceed with the purchases contained in the budget while following the processes outlined within this policy.

Following the appropriate method of purchasing outlined above, all invoices submitted to the Financial Services Department for payment must be approved by staff member(s) within the following authorization levels as designated by the Department Head:

Designated Approval Levels are as follows:

- Level 1: Up to \$ 2,000 or regular reoccurring invoices (i.e. monthly hydro, phone, etc.)
- Office Assistants and others as designated by the Department Head
- Level 2: Up to \$10,000 or invoices relating to purchases that have received the approval of Council

- Managers, Supervisors and others as designated by the Department Head
- Level 3: Up to \$50,000 or invoices relating to purchases that have received the approval of Council
 - Department Head and CAO only

Standard recurring expenditures that are a part of normal, day-to-day business activities may be paid with approval from staff designated with Level 1 authority. These types of expenses are regular and expected, budgeted for and are not optional. Late payment charges should be avoided and discounts taken when practical. Regular purchases include, but are not limited to: utilities, phone, postage, payroll remittances, and licenses.

Invoices pertaining to purchases and/or contracts previously awarded by Council may be processed with approval from staff designated with Level 2 or Level 3 authorities.

Department Heads and their Designates approving invoices for payment will ensure the invoice's mathematical accuracy, correct unit costs and quantities and will affix their signature or recognizable initials on the invoice to indicate to the Financial Services Department that the invoice is approved for payment.

Other than the CAO, no employee can approve any invoice for payment to him/herself.

Only individuals identified with approved signing authority on the County commercial bank accounts (the CAO and Treasurer) are authorized to open/close accounts with vendors or purchase cards in the County's name or to change credit limits.

Receipt of goods or services must be confirmed before payment is approved. All payments must be properly authorized, be accurately accounted for and be supported by appropriate documentation.

**INVOICE PAYMENT APPROVAL
DEPARTMENT HEAD & DESIGNATE**

The United Counties of Stormont, Dundas and Glengarry's Purchasing Policy outlines specific purchasing methods that must be followed for all County acquisitions of goods or services. The policy states that following the appropriate method of purchasing, all invoices submitted to the Financial Services Department for payment must be approved by staff member(s) within the approval levels as designated by the Department Head.

Completion of this form authorizes that _____ (Please print employee's name)
may approve invoices for payment within the following designation:

Please indicate approval level

- Level 1: Up to \$ 2,000 or regular reoccurring invoices (i.e. monthly hydro, phone, etc.)
- or
- Level 2: Up to \$10,000 or invoices relating to purchases that have received the approval of Council
- or
- Level 3: Only Department Heads & CAO. Up to \$50,000 or invoices relating to purchases that have received the approval of Council
- &/or
- Employee is a Petty Cash Custodian

Please note any restrictions by goods &/or vendor (i.e. equip parts or payroll deductions): _____

This Approval Level has been designated by:

Department Head Signature: _____ Date: _____

I have read the Purchasing Policy and agree to my designated Approval Level above:

Employee Signature: _____ Date: _____

Employee's initial to be used on invoices approved for payment: _____

Please forward completed Invoice Payment Approval form to the County Financial Services Department and a copy will be returned to the employee. Date completed by Financial Services Department: _____

PURCHASING POLICY # 1-12
SCHEDULE “A”

DEFINITIONS

Acquisition: the process used for obtaining goods and services.

Agreement: a legal document that binds the County and other parties.

Award: the notification to a proponent of acceptance of a tender, quotation, or proposal that brings a contract in existence.

Bid: an offer or submission received in response to a request for quotation, tender, proposal, or other solicitation document which is subject to acceptance or rejection.

CAO: the Chief Administrative Officer of the United Counties of Stormont, Dundas and Glengarry.

Comparison Pricing: any method of obtaining pricing information from suppliers, including but not limited to verbal or written quotations, online inquiries or research, promotional flyers or advertisements, etc.

Conflict of Interest: a situation in which financial or other personal considerations have the potential to compromise or bias professional judgment and objectivity. An apparent conflict of interest is one in which a reasonable person would think that the professional’s judgment is likely to be compromised. A conflict may occur when an interest benefits any member of the person’s family, friends, or business associates.

Contract: a formal legal agreement for the supply of goods, services or consulting services including a contract arising out of the acceptance of a tender, request for proposal or written quotation.

Cooperative Procurement: procurement conducted by one public entity on behalf of two or more public entities in order to obtain the benefits of volume purchases or administrative efficiency.

Council: the Council of the United Counties of Stormont, Dundas and Glengarry.

County: the United Counties of Stormont, Dundas and Glengarry.

Department Head: the individual responsible for the direction and operational control of a County Department; being CAO, County Engineer, County Clerk, Treasurer, County Planner, Manager of Library Services, and Manager of Provincial Offences.

Department Head Designate: the person designated by a Department Head with purchasing responsibility within a specified approval level.

Evaluation Criteria: a benchmark, standard or yardstick against which accomplishment, conformance, performance and suitability of an individual, supplier, alternative, activity, product or plan is measured to select the best supplier through a competitive process. Criteria may be qualitative or quantitative in nature.

Expression of Interest: vendors are solicited by the County to advise the County of their ability or desire to undertake municipal requirements.

In-house: conducting an activity utilizing resources (personnel, equipment, and/or material) of the Corporation of the United Counties of Stormont, Dundas and Glengarry, as opposed to relying on external or outsourced goods or services.

Irregularity: a deviation between the requirements (terms, conditions, specifications, special instructions, etc) of a solicitation document and the information submitted in a bid response. Major irregularities are those that affect the pricing, quality, quantity or delivery of the good or service required as stated in the solicitation document. Minor irregularities are those that affect the form as opposed to the substance of the bid.

Law of Competitive Processes: the solicitation and the receipt of tenders or proposals may result in the formation of a bid contract (also called Contract A) that governs how the Organization awards the work contract (also called Contract B) to a supplier.

Negotiation: the action or process of conferring with one or more vendors leading to an agreement on the acquisition of the required goods and services under the conditions outlined in this Policy.

Pecuniary Interest: the opportunity, direct or indirect, to profit or share in any profit derived from a transaction. Refer to The Municipal Conflict of Interest Act.

Procure/Procurement/Purchase: the acquisition of goods and/or services by purchase, rental or lease.

Proposal (Request for Proposal /RFP): an offer to provide goods or services to the County, where it is not practical to prepare precise specifications, or where alternatives to detailed specifications will be considered, which may be subject to further negotiation.

Publicly Advertised: any method of providing suppliers with access to information related to procurements; including but not limited to newspapers, magazines, trade publications, other print media, County website, industry websites & databases, etc.

Quotation (Request for Quotation/RFQ): an offer obtained from a selected vendor to supply stipulated goods and/or services at a particular price.

Segregation of Duties: a method of process control to manage conflict of interest, the appearance of conflict of interest, and errors or fraud. It restricts the amount of power held by any individual. It puts a barrier in place to prevent errors or fraud that may be perpetuated by one individual.

Sole Source: within specific circumstances, one vendor is considered for supplying the particular goods and/or services.

Supplier/Vendor: any person or organization that, based on an assessment of that person's or organization's financial, technical and commercial capacity, is capable of fulfilling the requirements of procurement.

Tender (Request for Tender/RFT): a written formal offer submitted in response to a public advertisement, in a particular form & by a specified time, to supply stipulated goods and/or services at a particular price.

PURCHASING POLICY # 1-12
SCHEDULE “B”

NON-COMPETITIVE PURCHASING

Non-competitive or sole-source purchasing cannot be used to avoid competition or to discriminate against specific suppliers. Non-competitive purchasing may be used under the following circumstances:

1. wages & allowances, payroll deductions remittances and any other legislated payments,
2. donations specifically approved in the current budget,
3. contributions to external agencies approved in the current budget,
4. payments authorized under another County policy,
5. when the emergency method of purchasing is required,
6. when compatibility with existing products is necessary or to recognize exclusive licenses or copyrights,
7. when maintenance is required on specialized products by the original manufacturer or work is performed according to a warranty or guarantee,
8. where a statutory monopoly exists or restrictions imposed by the Provincial or Federal Governments,
9. when goods or services are purchased from another level of government,
10. when the purchase is already covered by a lease-to-purchase agreement where payments are partially or totally credited to the purchase price,
11. when a competitive process would be impractical or uneconomical (e.g. travel expenses, training & education, memberships, social events, promotional material, library materials), loan payments, utilities, property taxes, advertising, postage, etc.
12. Court reporting, interpreters, prosecutors, process servers, credit history reports, witness fees & judicial costs,
13. when participating in a cooperative procurement with another municipality and their Purchasing Policy applies,
14. *when the confidential nature of the requirement is such that it would not be in the public interest to solicit competitive bids,
15. *when only one supplier or contractor can meet the specification or technical requirements or possesses unique skills or can meet the required deadline,
16. *Arbitrators, Mediators and legal settlements,
17. *when no bids were received in a competitive process,
18. *the purchase of real property,
19. *when the item is in short supply due to market conditions,

In those circumstances above marked with an asterisk (*) the Department Head must submit a cost-effective or beneficial justification report to the CAO prior to completing the purchase. The Department Head and CAO will approve those sole-source purchases marked with an asterisk costing less than \$20,000 and Council will approve purchases over this amount. The remaining circumstances above without an asterisk will be approved by the Department Head or Designate and justification will be noted on the invoice.

PURCHASING POLICY # 1-12
SCHEDULE “C”
TENDER REJECTION CRITERIA

	IRREGULARITY	RESPONSE
1.	Late Tender.	Major Irregularity - Automatic rejection. Returned unopened to the bidder.
2.	Unsealed Envelope.	Major Irregularity - Automatic Rejection.
3.	Insufficient Financial Security	
	A) No financial security, if requested.	Major Irregularity - Automatic Rejection.
	B) Amount of financial security is insufficient.	Major Irregularity - Automatic Rejection.
	C) Name, or signature of Supplier is missing or incomplete.	Major Irregularity - Automatic Rejection.
4.	Submitted Document	
	A) Document completed in erasable medium.	Major Irregularity - Automatic Rejection.
	B) Signature of representative authorized to bind the Supplier missing or incomplete.	Minor Irregularity - Two (2) business days * to correct, otherwise automatic rejection.
	C) Form of Tender, Proposal or Quotation incomplete.	Major Irregularity - Automatic Rejection.
	E) Signature of witness, if required, missing or incomplete.	Minor Irregularity - Two (2) business days * to correct, otherwise automatic rejection.
	F) Date missing or incomplete.	Minor Irregularity - Two (2) business days * to correct, otherwise automatic rejection, or Major Irregularity - Automatic Rejection if requirement stated in the solicitation.
5.	Incomplete, illegible or obscure document or contains information not called for.	Major Irregularity - Automatic Rejection.
6.	Failure to document acknowledgement that all addenda have been received.	Major Irregularity - Automatic Rejection.
7.	Failure to attend mandatory site visit, if required.	Major Irregularity - Automatic Rejection.
8.	Document submitted other than those provided in the solicitation form.	Major Irregularity - Automatic Rejection.
9.	Failure to insert the Supplier’s business name in the space provided in the solicitation form.	Major Irregularity - Automatic Rejection.
10.	Mathematical errors.	Minor Irregularity - Two (2) business days * to initial corrections. Unless otherwise stated in the Bid, the unit price shall prevail and the total Bid price shall be adjusted accordingly.
11.	Document containing minor obvious clerical errors.	Minor Irregularity - Two (2) business days * to initial corrections to the satisfaction of the Department Head or Designate.
12.	Any other irregularities.	Minor Irregularity - The Department Head or Designate shall have authority to waive other irregularities or grant two (2) business days* to initial other irregularities considered to be minor.
*Where “Business days” is specified, this is from the hour the Bidder is notified by County staff of the irregularity.		