



# SCUGOG MEMORIAL PUBLIC LIBRARY

<b>POLICY TYPE / NUMBER:</b>	<b>BOARD B07</b>		
<b>POLICY TITLE:</b>	<b>Purchasing &amp; Procurement Policy</b>		
<b>AUTHORITY / CREATED:</b>	<b>Board</b>	<b>October 22, 2009</b>	<b>Reviewed: June 22, 2023</b>

## POLICY STATEMENT:

The Scugog Memorial Public Library shall provide quality customer service and best value to the taxpayers of the Township of Scugog through the provision of open and fair, equitable, accessible and competitive bidding processes.

We are committed to: timely, efficient and professional service delivery, appropriate delegation of commitment authority, consultation and co-operation, partnerships both internal and external, innovative solutions, standardization, education and collective knowledge of products and market conditions, developing and maintaining good supplier/client relations and supplier/client outreach.

This Purchasing & Procurement Policy falls under ***Procurement By-Law No. 41-21*** of the Corporation of the Township of Scugog.

## POLICY OBJECTIVE:

The object of this Policy is to:

1. Provide a process that could encompass purchases and procurements for the Library.
2. Seek out appropriate vendors and conclude the purchase arrangement such that best value is achieved.
3. Promote the purchasing methods and purchasing 'tools' outlined in the policy and procedures to allow staff to effectively and efficiently carry out their responsibilities and acquire goods on time.

## GENERAL:

### **01 Definitions:**

- 01.01 Acquisition - the process of obtaining goods and services
- 01.02 Bidder - the person, firm or corporation submitting an offer to the Library
- 01.03 Board – The Scugog Memorial Public Library Board
- 01.04 Library – The Scugog Memorial Public Library
- 01.05 Township -The Township of Scugog
- 01.06 Director of Finance – Director of Finance of the Township of Scugog.
- 01.07 Consulting and Professional Services - services requiring essential technical skills provided on the basis of a defined project or undertaking to recommend and assist in implementing solutions; and may include supervision related to the project or undertaking; includes architects, engineers, designers, surveyors, management and financial consultants, brokers, soil consultants, real estate appraisers, Ontario land surveyors
- 01.08 Contract - a binding agreement between two or more parties
- 01.09 Co-operative Purchasing - the participation of two or more public agencies in a call for tenders
- 01.10 Council - the Council of the Township of Scugog
- 01.11 CEO - the Chief Executive Officer of the Scugog Memorial Public Library
- 01.12 Emergency - a situation with potential to cause harm, death, to persons; accrue liability to the Township and the Scugog Memorial Public Library Board; cause damage to property; or hamper the Library's operation - as a result of the Scugog Memorial Public Library's inaction and warrants operating outside of the requirements of this policy
- 01.13 Goods and Services - labour, materials, products, equipment, services, supplies, acts required to be done, furnished or performed by a company that are the subject of the contract
- 01.14 Proposal - an offer from a supplier in response to a request for proposal, which may be subject to further negotiation

- 01.15 Quotation - an offer from a supplier to buy from or sell goods or services to the Library
- 01.16 Request For Expressions Of Interest (RFEOI) - a request made by the Library for the purpose of compiling a list of persons, firms or corporations who may be interested in providing goods, services or construction to the Library;
- 01.17 Request For Pre -Qualification (RPQ) means a request for the submission of information from potential bidders, including the experience, financial strength, education, background and personnel of persons, firms or corporations who may qualify to supply goods, services or construction to the Library;
- 01.18 Request For Proposals (RFP) means a request for proposals made pursuant to this policy;
- 01.19 Request For Quotations (RFQ) means a request for quotations made pursuant to this policy;
- 01.20 Request For Tenders (RFT) means a request for Tenders made pursuant to this policy;
- 01.21 Real Property - lands, buildings, tenements and any interest, estate or right or easement affecting same
- 01.22 Surety - a specified dollar amount in the form, acceptable to the CEO and Director of Finance, of cash, certified cheque, bid bond, performance bond, labour and materials bond, letter of credit or any other approved form of collateral as deemed necessary
- 01.23 Tender - a written offer in a specified form received from a bidder in response to an invitation to a public call for tenders

## **02 Responsibilities:**

### 02.01 Scugog Memorial Public Library Board to:

- (a) Approve this policy.
- (b) Actively support this Purchasing Policy.

### 02.02 Chief Executive Officer to:

- (a) Approve amendments to this policy which are minor in nature and which do not result in a change to the intent of the policy.
- (b) Actively support the Purchasing Policy.
- (c) Recommend necessary amendments to this policy for the consideration of the Scugog Memorial Public Library Board.
- (d) Provide final interpretations and rulings in regards to the interpretation and implementation of this policy, in consultation with the Township of Scugog Director of Finance.
- (e) Ensure that this policy remains consistent with the Township's ***Procurement By-Law No. 41-21*** and any pertinent future amendments.

### **03 Purchasing Principles**

The CEO shall:

- 03.01 Be responsible for the provision of all purchasing services for the acquisition and disposition of all goods and services required by the Scugog Memorial Public Library (hereinafter referred to as the Library).
- 03.02 Arrange for the procurement, by purchase, rental or lease, of the required quality and quantity of goods and services in an efficient and cost- effective manner.
- 03.03 Ensure the greatest value for the Library by exercising professional purchasing practices, free from influence and interference, and encourage where practical, standardization and open and competitive bidding.
- 03.04 Promote acceptance of bids based on total acquisition and life cycle cost rather than the lowest bid received.
- 03.05 Provide for the appropriate level of delegated commitment authority to enable clients to meet service level expectations.
- 03.06 Execute facilitation, comparison and assessment of alternate service delivery options.

03.07 Encourage wherever applicable, specifications that are environmentally responsible and friendly.

#### **04 Authorities and Dollar Limits**

04.01 The CEO shall have the responsibility and authority for the procurement of goods, services or construction for the Library provided that:

04.01.01 no expenditure, purchase or commitment is incurred or made, and no account is paid by the Library for goods, services or construction, except as provided in this by-law or otherwise approved by the Board; and

04.01.02 no Contract is entered into and no expenditure is authorized or incurred unless the Board has approved funds for such purpose in the annual budget or otherwise agreed to the provision of such funds and no expenditure is authorized or incurred in excess of the funds provided unless otherwise authorized by this policy.

#### ***Purchases Exceeding \$5,000 but not exceeding \$25,000:***

04.02 The CEO is hereby given the authority and responsibility to purchase goods and services on behalf of the Library in accordance with the requirements of this policy and to act on behalf of the Library in entering into contracts with third parties for the purchase and disposal of all goods and services.

04.03 The CEO may delegate to an employee or employees of the Library all or part of the authority to purchase goods and services up to an amount of \$500 on the understanding that employees use their own judgment to promote the objectives of this policy in any competitive or direct purchase.

04.04 Goods and services with an estimated total purchase price not exceeding \$25,000 shall be obtained by the CEO by an acceptable method of purchase and shall be so documented.

04.05 Where the total cost of any goods, services or construction is over five thousand (\$5,000) but does not exceed twenty-five thousand dollars (\$25,000), an oral Quotation shall be obtained from at least two (2) Suppliers.

#### ***Purchases Exceeding \$25,000 but Not Exceeding \$50,000:***

- 04.06 Where the Total Cost of any goods, services or construction is anticipated to exceed twenty-five thousand dollars (\$25,000), but does not exceed fifty thousand dollars (\$50,000), a Request For Quotations shall be issued, provided that the proposed purchase comes within the approved budget appropriations;
- 04.07 The Board may, in its discretion, issue a Request For Tenders or a Request For Proposals for any purchase below fifty thousand dollars (\$50,000);
- 04.08 Where a Request for Tenders or a Request for Proposals is not issued, a minimum of three (3) Quotations shall be requested, which must be received in writing;
- 04.09 Where the specifications for the goods, services, or construction proposed to be purchased are fixed and they are not open to interpretation or confusion, the CEO may orally request that Suppliers submit their Quotation in writing;
- 04.10 Where the specifications for the goods, services, or construction proposed to be purchased are highly technical and they may be subject to interpretation or confusion, the CEO shall issue a Request for Quotations in writing describing the details of the proposed specifications, and requiring that Suppliers submit their Quotation in writing. For clarity, a Request for Quotations document shall not be required to reflect the formal requirements normally associated with a Request For Tenders document;
- 04.11 In any circumstance where the lowest Quotation exceeds fifty thousand dollars (\$50,000), provided that the proposed purchase comes within the approved budget appropriations of the Board, the proposed purchase shall be subject to the approval of the CEO.

***Purchases Exceeding \$50,000:***

- 04.12 Where the total cost of any goods, services or construction exceeds fifty thousand dollars (\$50,000), either a Request For Tenders or a Request For Proposals shall be issued, provided that the proposed purchase comes within the approved budget appropriations. Goods and services with an estimated total purchase price greater than \$50,000 shall be obtained by the CEO, in consultation with the Director of Finance, in accordance with the process outlined in the Township's ***Procurement By-Law No. 41-21***.

**Request for Tenders**

04.13 A Request For Tenders shall be issued where the following criteria apply:

04.13.1 two or more sources are considered capable of supplying the goods, services or construction;

04.13.2 the goods, services or construction are clearly ascertainable and permit the evaluation of Bids against applicable specifications; and

04.13.2 the market conditions are such that Bids can be submitted on a competitive pricing basis.

### **Request for Proposal**

04.14 A Request for Proposal shall be issued where the goods, services or construction cannot be specifically defined and it is anticipated that Bidders may propose a variety of alternatives to fulfill the Library's requirements;

04.14 The Board shall Award the Contract in accordance with the recommendation made to it by the CEO, provided that the Board shall have the authority to reject such recommendation where the procedures prescribed in this policy have not been complied with, or for any other grounds for which the authority is set out in this policy.

## **05 Negotiation**

The CEO, is authorized to enter into negotiations without formal competitive bids, under the following circumstances:

05.01 When an event which could not be foreseen occurs that is a threat to public health, service, welfare or public property, and requires the immediate delivery of supplies or performance of service.

05.02 When competition is precluded because of the existence of a sole source, patent rights, copyrights, secret processes, control of basic raw material or similar circumstances.

05.03 When bids have been solicited and no responsive bid has been received, or the lowest bid received exceeds the estimated cost, or the lowest bids received are identical.

05.04 When all bids fail to comply with the specifications or conditions and it is impractical to recall.

05.05 When the extension or reinstatement of an existing contract would prove most cost-effective or beneficial. The extension shall not exceed one year.

05.06 When a fluctuating market prevents the CEO from obtaining price protection or owing to market conditions, required goods or services are in short supply.

**06 Emergency Purchase**

06.01 In a situation where the immediate purchase of goods or services is essential to prevent serious delays, further damage, threat to life or restore minimum service, the CEO shall obtain such goods and services at the lowest obtainable prices given the emergent nature of the situation. In the event that the purchase amount exceeds \$10,000 the Library Board Chair is to be notified at the earliest possible time. In the event that the purchase amount exceeds \$50,000 the Library Board Chair, Director of Finance and/or the Chief Administrative Officer of the Township of Scugog shall be notified and report of the incident shall be submitted to the Board and the appropriate committee and Council at the earliest possible time.

**07 Co-operative Purchasing**

07.01 The CEO may enter into arrangements with municipalities, local boards and other public bodies or public authorities on a co-operative or joint venture basis where there are economic advantages and where the best interests of the Library would be served in so doing; providing that under such arrangements the method of acquisition used is a competitive method similar to that described in this policy; and the awarding and reporting of such contracts is generally in accordance with the requirements of this policy.

**08 Disposal of Surplus Property**

08.01 The CEO is authorized to dispose of surplus or obsolete goods and equipment by using it in other Township departments or, if no longer useful for municipal purposes, arranging for its disposal in a cost effective and efficient manner.



08.02 The CEO is authorized to dispose of real property in accordance with the Township's ***Procurement By-Law No. 41-21***.

## **09 Prohibitions**

09.01 Subject to the ***Municipal Conflict of Interest Act***, no member of the Board, Township Council, or officer of the Library or Township is or will become interested directly or indirectly as a contracting party or otherwise in or in the performance of the contractor or in the supplies, goods, or business to which it relates or in any portion of the profits thereof, or in any such supplies to be used therein or in any of the monies to be derived therefrom.

09.02 No employee or member of Library, Board or Township Council, shall bid on the sale of goods except those disposed of by public auction.

09.03 The Library shall make no personal purchase for any employee, member of the Board, or Township Council, unless specifically authorized by the Board.

09.04 No employee, or member of the Board, or Township Council shall purchase or offer to purchase on behalf of the Board except as may be provided for in this policy.

09.05 No requirement for goods or services shall be divided to avoid the requirements of this policy and the total project or annual requirement shall be considered.

## **10 Code of Purchasing Ethics**

10.01 The code of purchasing ethics established by the ***National Institute of Governmental Purchasing Inc. and the Purchasing Management Association of Canada*** shall apply to all staff involved in the procurement process.

## **11 Exemptions**

11.01 Items listed in Appendix "A" are excluded from the requirements of this policy. Notwithstanding, the CEO is expected to provide details to the Board of any contractual arrangements under Appendix 'A' with third parties that exceed \$25,000 annually or are for more than one year. Such details will be provided prior to the onset of the contract arrangement. The CEO will advise the Library Board Chair accordingly.

## **12 Administrative Procedures**

12.01 This policy shall be read in conjunction with any written administrative procedures.

Contact Person: Board Chair / Chief Executive Officer

Cross Manual Reference:

Relevant Forms: Township of Scugog, Procurement By-Law No. 41-21  
B03 – Executive Limitation Policy

Approval Date: October 22, 2009

Review Dates: June 22, 2023

Revised Date: April 11, 2019

Approved by:

## APPENDIX "A": EXEMPTIONS

The following items are excluded from the requirements of this policy in that the expenditures do not require a purchase requisition or a purchase order. Notwithstanding, it is expected that the objectives of this policy will be promoted in any expenditures for goods and services.

1. Petty Cash expenditures
2. Training and Education
  - a) Conference, Course, Convention and Seminar
  - b) Magazines, Books, Periodicals, Subscription
  - c) Membership
3. Refundable Employee Expenses
  - a) Advances
  - b) Meal Allowances
  - c) Travel
4. Advertising
  - a) classified advertising such as help wanted, for sale, etc.
  - b) display advertising such as event notices
  - c) public tender advertising
  - d) A contract arrangement for advertising such as the Community Page is not considered an exemption.
5. Special Fees
  - a) Counselling service
  - b) Medical service
  - c) Banking, brokerage or underwriting service.
  - d) Insurance and related costs (Liability, Property etc., Premiums, Payments and Adjusting Fees)
6. Professional Fees
  - a) Consultant fee related to litigation
  - b) External auditor
  - c) Legal services fees
  - d) Ontario Land Surveyor
  - e) Property Appraisal
7. Utility Services
  - a) Gas and heating oil
  - b) Sewer and water
  - c) Postage and related costs
  - d) Hydro
  - e) Telephone

8. Tenders or quotations for goods or services to be provided by Utilities, Provincial or Federal Agencies, Crown Corporations, Municipalities, public agencies, when similar goods or services are not available from other sources.