

DISTRICT OF NORTH SAANICH
PURCHASING POLICY

UPDATED: October 2003

STATEMENT OF POLICY

The Municipality recognizes the need to control expenditures, thereby maintaining fiscal responsibility. Purchasing policies and procedures represent the single most important step toward obtaining this goal. Therefore, it shall be the responsibility of all employees having authorization to make purchases to follow policies as herein set forth.

GENERAL

Contract awards shall be made for materials and services that will give the greatest value based on quality, service, price and availability. The Treasurer shall co-operate with other local municipal and public organizations in group buying of items in common use. All purchasing is authorized through the adoption of the Financial Plan except when authorized under the Emergency Purchasing Section of this policy.

APPROVING AUTHORITY

1. *Purchase Orders* or *Cheque Requisitions* are required for all purchases over \$500.00 that are not on the exemption list (see page 3). The Department Manager must authorize purchases under \$500.00 by signing the Invoice.

2. Purchases estimated to cost \$501.00 or more must be made by the requesting department within the following parameters:

All purchases must be recorded on a Requisition Form by the Department initiating the purchase. Purchasers must supply the Accounting Department with the following information on the Requisition.:

1. Name and address of the supplier
2. Vendor supplier number
3. Date of purchase
4. G/L Account # being charged and project/job title or equipment reference (i.e.: Wain Park fence repairs, truck 3820 tire repair)
5. Description of goods or reference to invoice number (ie: goods as per invoice no. 2655)

Approving Authority (cont'd)

The Requisition must be signed by the Department Manager authorizing the purchase. Copies of the quotes or tenders, and packing/delivery slips, if applicable, are to be forwarded to the Accounting Department as they occur.

STANDING PURCHASE ORDERS

Annual Standing P.O.'s may be issued to frequently used suppliers, for joint purchasing supplies and suppliers of products which can only be obtained from one source. Limits shall be set by the Treasurer in consultation with the Department Manager and recorded on the P.O.

REGULAR PURCHASE ORDERS

(a) **Purchases from \$501 to \$2,000**

Quotes to be obtained from suppliers suggested by the Department requesting the goods. The lowest quote shall be accepted except where there may be differences in availability or quality.

(b) **Purchases from \$2,001 to \$10,000**

Purchases in this range must be done by recorded quotations. At least three (3) quotes should be received and recorded on the Quotation Evaluation Form (attached) with the lowest bid being accepted. If the lowest bid is not accepted, upon satisfactory justification, the Treasurer's approval is required. Copies of the Quotation Evaluation Forms are to be attached to the Requisition Form and given to the Treasurer when requesting the Purchase Order.

(c) **Purchases over \$10,000**

Purchases over \$10,000 must be done by way of written tenders, unless otherwise approved by Council. Tenders may be solicited by the Municipality by means of selective invitations to particular suppliers, or by public advertising. The method of tender will be decided by the Department Head in consultation with the Treasurer.

In the case of sealed tenders, the bids shall be opened in public by a representative of the Department which initiated the tender and the Treasurer or his designate. A summary of the tenders shall be prepared for Council along with the staff recommendation.

The Administrator may award contracts to a value not exceeding \$50,000 for which purpose the Treasurer and the Department Manager shall submit a joint report. Details of the tender shall be submitted to Council for their information. Tenders over \$50,000 must be approved by Council. The Department Manager shall prepare a report and recommendation for the Treasurer who will make his

comments and forward to Council for their consideration. Copies of all reports must be attached to the Requisition form and given to the Treasurer when requesting the Purchase Order.

PURCHASES EXEMPT FROM PURCHASE ORDERS

- Costs directly related to court actions and damage claims
- Subscription renewals
- Association membership dues
- Telephone rental fees (including long distance tolls)
- Utilities (hydro, heating, cable accounts)
- Travel expenses or advances including mileage and lodgings
- Water purchases
- Land Registry fees
- Salaries, wages, casual help and related disbursements
- Municipal and inter-municipal grants and cost-sharing
- Inspection and permit fees to other governments
- Fees for exams, courses and conventions, etc.
- Professional fees
- Property purchases
- Insurance premiums
- Supplies drawn from Inventory
- Publications purchases from other governments or publishers where payment must accompany order
- Mailings and distribution by Canada Post Office when prepaid

A Cheque Requisition or a supplied invoice is required for all exempt purchases except salaries and wages.

Emergency Purchasing

The Treasurer shall have authority to bypass normal procedures in the event of disaster, labour dispute, emergency or where the cost or delay to the Municipality would be prohibitive. Where an item is only available from a single supplier, the Treasurer is authorized to take whatever action is necessary to secure the most beneficial contract for the Municipality.

In the event of an emergency on weekends or after hours, the employee handling the emergency is authorized to make the necessary purchases to remedy the situation. All expenditures made must be listed and reported to the Department Manager the next working day, at which time the proper paperwork will be done to ensure compliance with our purchasing procedures.

Any variance from the purchasing policy must be reported to the Administrator immediately.

DISTRICT OF NORTH SAANICH

QUOTATION EVALUATION

For purchases from \$2,001 to \$10,000

Purchases in this range must be done by recorded quotations. At least three quotes should be received and recorded with the lowest bid being accepted. If the lowest bid is not accepted, upon satisfactory justification, the Treasurer must approve the purchase.

COMPANY NAME: _____ PRODUCT DESCRIPTION: _____

ADDRESS: _____

PHONE #: _____ AMOUNT: _____

CONTACT NAME: _____ DATE: _____

COMPANY NAME: _____ PRODUCT DESCRIPTION: _____

ADDRESS: _____

PHONE #: _____ AMOUNT: _____

CONTACT NAME: _____ DATE: _____

COMPANY NAME: _____ PRODUCT DESCRIPTION: _____

ADDRESS: _____

PHONE #: _____ AMOUNT: _____

CONTACT NAME: _____ DATE: _____

DNS Department: _____ Signature: _____

Treasurer's Approval: _____