



Policy #14 – Purchasing

Approval Date: May 18, 2011

Policy Statement

This policy is to ensure that goods and services are acquired through a fair, open, transparent and competitive process that uniformly balances the interests of taxpayers with the fair and equitable treatment of suppliers.

Procedure

1. When the Village decides to acquire goods or services from outside parties it shall do so through the process outlined below:
 - a. Public Tender with Public Advertising – a tender that is publicly advertised is required when the amount of the purchase is expected to exceed \$100,000;
 - b. Invitational Tender – notwithstanding the above, invitational tenders may be utilized for purchases over \$100,000 if the CAO is satisfied that all known suppliers in the area will be invited to bid;
 - c. Public Tender without Public Advertising – The CAO will determine if public advertising is required for a public tender when the contract is over \$10,000 and less than \$100,000.
 - d. Telephone/Facsimile/Email Quotations – the acquisition of goods or services expected to be less than \$10,000 shall be completed by obtaining telephone, facsimile or email quotations from a minimum of three vendors, if possible;
 - e. Direct Awards – a sole source contract may be awarded if the acquisition is expected to be less than \$5,000 unless it is deemed to be in the best interest of the Village to obtain written or facsimile quotations;
 - f. Sole Source Contracts – the Village retains the right to use a sole source contract with the prior approval of Council regardless of the quantum of the contract. In the case of apparent emergencies, the CAO shall be empowered to sole source the acquisition. Sole Source Contractors must hold a valid business license with the Village of Delia or with the municipality that they currently reside in.
 - g. Preference will be given to local businesses and/or suppliers.
2. The CAO has the authority to award public tenders, telephone, fax and email quotations, direct awards (under \$5,000) and RFP's if all of the following conditions have been met:
 - a. Sufficient funding has been provided for in the approved budget or the budget as amended;
 - b. The contract is being awarded to the lowest compliant bidder meeting specifications notwithstanding the amount of the contract may exceed \$100,000;
 - c. The award of the contract is not of a controversial nature.
3. The Council shall award contracts if any of the following conditions exist:
 - a. Sufficient funding has not been provided for in the budget;
 - b. In the case of public tenders, the contract is not being awarded to the lowest compliant bidder meeting specifications;

- c. In the case of sole source contracts, the contract is in excess of \$5,000;
 - d. The award of the contract is of a controversial nature.
4. This requirement for a public tender does not apply to the purchase of the following goods and services:
- a. Utility contracts (telephone, power, etc.);
 - b. Contracts or agreements relating to employee compensation, reimbursements, training, education, etc.;
 - c. Land;
 - d. Any items designated in the Purchasing Procedures, which due to their nature do not lend themselves to a public tender.

Purchasing Procedures

1. Orders over \$100 may not be placed without a purchase order approved by the CAO.
2. The expenditure of funds must be approved in advance. Approval is dependent on the need and the availability of funds allotted in the budget. It is the CAO's responsibility to ensure there are funds available prior to purchase.
3. Furniture and equipment is differentiated from supplies and may not be purchased from a supplies budget without a prior approved budget transfer.