

LA 129 Purchasing Policy

Originating Document – January 1, 2005

Effective Date – January 1, 2005

Last Modified – October 25, 2015

Policy:

The County of Prince Edward Public Library recognizes the need to establish a comprehensive purchasing policy that clearly defines authority, responsibility and guideline.

The purpose of the policy is to:

- provide recognized authority, consistent with applicable laws and pre-determined guidelines, which will facilitate and streamline the purchasing and accounting operations while minimizing the possibility of unauthorized purchasing activities and maintaining effective purchasing controls
- to ensure that appropriate financial and operational management controls are applied to the decision process in spending public money, and that these controls contribute to the effectiveness of program delivery and to the accountability of the authority process
- to procure by purchase, rental or lease the required quality and quantity of goods and/or services in an efficient and effective manner without favoritism
- to assert that library Board Members and staff may not accept gifts, benefits, money, discounts, favours or other assistance by elected officials, officers and employees, and their families
- to advertise fairly in local newspapers or on the library web site for any goods or services exceeding the \$5, 000.00 value
- to review this policy every three (3) years or sooner if necessary

Section 1: Authority and Responsibility

1. The CEO or designate is hereby given the responsibility of operating a purchasing section on behalf of the library in accordance with the requirements of this policy. The CEO reports to the library board at all regularly scheduled meetings as to the purchasing activities of the library.
2. The CEO shall be responsible for the management, organization and administration of the purchasing functions in accordance with the requirements of this policy, including the following specific responsibilities:
 - acquisition of goods and services, including the leasing or rental of such goods and services, and the disposal of property
 - development and maintenance of systems and procedures dealing with the acquisition process, inventory control and disposal process of items detailed in this policy
 - development of co-operative purchasing plans through Southern Ontario Library Service or The Ontario Library Consortium and/or other levels of government and/or local agencies and/or public authorities, where deemed beneficial to the library. No other sourcing shall be deemed necessary in this instance, as the consortium will be seen to have completed this process
 - standardization of goods and services wherever possible
 - coordination of proposals and formal quotations
 - coordination with The County of Prince Edward Purchasing Agent to handle tenders when deemed necessary as in the case of capital projects involving County owned buildings and property
 - To ensure that the integrity of The County of Prince Edward Public Library, Library Board, and staff is protected by ensuring

that all aspects of the purchasing policy is adhered to; and is reported on at every monthly meeting of the Board of Directors

Section 2: Special & General Provisions

1. Special Acquisition and Disposal Provision

- a. Exclusion to Policy, See Appendix A
- b. Cooperative Purchasing

Upon the request and/or with the approval of the County of Prince Edward Public Library Board the library may participate with other levels of government and/or their agencies and/or public authorities in co-operative purchasing ventures or joint contracts when the best interests of the library would be served.

- c. Single Source Justification

Goods bought from a specific supplier or a specific contractor may be used for service or construction work for these reasons:

- Technical - There is only one supplier or contractor who can meet the specifications
- Market Conditions - Only one supplier or contractor can provide the goods or services by the specified date required or, because of the nature of the goods or service, it is preferable to negotiate with one supplier or contractor
- Standardization - There are existing goods in place and, to maintain standardization of spare parts, single source bidding is recommended
- Unique Skills - A contractor has unique skills related to the nature of the service or construction that makes it more practical or advantageous to single source
- Extension of Existing Annual Purchase Order or Contract - Where the extension of an existing annual purchase order or contract would, in the judgement of the CEO, be most effective or beneficial

d. Acquisition of Goods and Services from Government Bodies

Tenders or quotations shall not be required for goods and/or services to be provided by any of the following, when similar goods and/or services are not available from another source or an agreement is in place:

- Hydro Electric Commissions, Telecommunications Companies, Gas Companies and Cable Companies
- Provincial and Federal Government Agencies or Crown Corporations
- Municipalities, special purpose bodies and public boards

e. Emergency Purchase

The purchasing policies as outlined herein shall not be intentionally circumvented. However, when in the best judgement of the CEO or designate an immediate purchase of goods and/or services is required in the event of an emergency, the following provisions shall apply:

- The most feasible acquisition process to secure the lowest price obtainable for the goods and/or services required and shall be determined
- For the purchase of goods or services with the estimated total acquisition cost not exceeding \$2,000.00, the CEO shall have authorization to proceed as deemed appropriate and shall ensure that on the applicable receipts and/or invoices, emergency purchase and the nature of such emergency is recorded
- For the purchase of goods or services with the estimated total acquisition cost exceeding \$2,000.00, the Chair or Vice-Chair of the Library Board shall be informed, and a report shall be made to the Library Board at the next regular meeting

2. Disposal of Personal Property

a. Surplus

The CEO shall endeavor to provide any equipment or goods that are surplus in one branch to another branch of the library. If there is no demonstrated need the article may be traded in or sold.

All materials deselected from the library collection shall be sold and proceeds accounted for as revenue to the library operating budget.

b. Disposal

PSA's shall on an ongoing basis review branch collections for any dated, damaged or surplus materials that should be deselected from the branch. Material will be disposed of in consultation with the CEO.

Disposal normally entails sale of materials. Revenue is accounted for and reported monthly to the Library Board. Sales shall be made to the public through advertised special book sales or from the book store(s) in the Branch and from sale tables set up s from time to time.

3. Prohibitions

- Personal Purchases - No personal purchase shall be made by the library for employees, or member of the Board
- Conflict of Interest - Employees, immediate family members or board members may bid on any library real property providing they do not possess relevant insider information that would influence their bid activity
- Authority to Contract - No employee shall purchase or sell, on behalf of the library except as may be provided for in this policy or as specifically authorized by the CEO
- Splitting Requirements - No requirement for goods or services including consulting or professional services shall be divided to avoid the requirements of this policy. The total project or annual requirement shall be considered

4. General Acquisitions & Disposal Provisions & Forms

4.1 Petty Cash Funds

- Petty Cash funds shall only be established and utilized as may be authorized and approved by the CEO from time to time. The CEO also has sole authority to discontinue any petty cash fund at any time. Petty cash: 100 dollars or less

4.2 Reporting

- The CEO shall prepare and submit to the Board monthly, a summary of all expenditures. The annual budget will be prepared in consultation with the Board and any changes to such budget or requirements, exceeding \$5,000.00 made only with the approval of the Board.

Such report shall contain, as a minimum, for each good and service, information as follows:

Purchase:

- type/description of the good or service
- estimated total acquisition cost
- suggested potential bidders names, addresses, telephone and facsimile numbers if the estimated total acquisition cost will not exceed \$25,000.00
- an outline as to when partial quantities of a particular good or service will be required or when a total quantity is required
- type of contract proposed whether by purchase requisition, annual purchase order, purchase order, general work order or by a contract agreement. If by contract agreement, include any performance security requirement, any document deposit fee, bid deposit, insurance and Workers' Compensation requirements. Generally, regardless of the form of contract, include any special requirements, terms and conditions and/or documentation

** Please note for contracts requiring performance security or Workers' Compensation requirements, the Library Board may wish to request that the Purchasing Agent for the County of Prince Edward act on the Library's behalf*

- for annual equipment rentals and aggregate materials, a copy of the report, as noted per and in accordance with the provisions of this policy, shall be attached to and form part of this report
- if electing a single source justification for any goods and/or services, it shall be so noted and a copy of the cost effective or beneficial justification report, in accordance with the provisions of this policy, shall be attached to and form part of this report
- the acquisition of goods and/or services from government bodies and/or single source suppliers, it shall be so noted and a copy of the report, in accordance with the provisions of this policy shall be attached to and form part of this report
- the acquisition of goods and/or services by way of proposal, it shall be so noted and a copy of the report, in accordance with the provisions of this policy shall be attached to and form part of this report

Disposition:

For the disposition of goods, a copy of the report, in accordance with the provisions of this policy shall be attached to and form part of this report.

5. Requisitioning Bids Contracts

For purchases exceeding \$20,000.00 the forms to be used and the procedures to be followed in regard to such matters, as requisitioning, obtaining and processing bids, making awards and contracting shall be as outlined in accordance with the applicable provisions of this policy.

The purchasing department of the County of Prince Edward shall be consulted as to the next step in the acquisition process by requisitioning goods or services.

Purchases with an estimated annual or project total acquisition cost greater than \$500.00 but not exceeding \$2,000.00. For applicable

purchases the CEO should obtain, if and whenever practical, a minimum of two quotations.

Purchases with an estimated annual or project total acquisition cost greater than \$2,000.00 but not exceeding \$10,000.00. For applicable purchases the CEO must obtain a minimum of three written quotations.

The documents and procedures for such quotations shall be in accordance with the applicable provision of this policy.

A record of all quotations obtained shall be kept and filed by the CEO.

6. Formal Quotations

Purchases greater than \$10,000.00 but not exceeding \$25,000.00 - for applicable purchases formal quotations are required and the forms and procedures for formal quotations shall be in accordance with the applicable provisions of this policy.

7. Tender Process

Tender call for purchases greater than \$25,000.00 - for applicable purchases with an estimated annual or projected total acquisition cost greater than \$25,000.00, sealed tenders are required and the forms and procedures for tenders all be in accordance with the applicable provisions of this policy. *(The County of Prince Edward Purchasing forms and procedures.)*

8. Purchase by Negotiation

Purchases may be acquired through negotiation when any of the following occur:

- where there is only one source of supply for the goods and services to be purchased as outlined in this policy
- where two or more identical bids are received

- where the lowest bid received meeting specifications and forms, terms and conditions is excessive and/or substantially exceeds the estimated budget appropriation cost and in the judgement of the CEO it is impractical to recall formal quotations, tenders or proposals
- where all bids received fail to meet specifications and/or forms, terms and conditions but prices are within the estimated budget appropriation cost and in the judgement of the CEO it is impractical to recall formal quotations, tenders or proposals
- emergencies, as defined in accordance with this policy
- where single source justification is being elected, in accordance with this policy

Appendix A: List of Items Exempt from the By-Law

1.0 Petty Cash Items/Replenishment

2.0 Training and Education

- Conferences, Courses, Conventions and Seminars
- Magazines, Books, Periodicals
- Memberships
- Subscriptions

3.0 Refundable Employee Expenses

- Travel
- Meal Allowances
- Miscellaneous - Non-Travel

4.0 Employer's General Expenses

- Statutory Payroll Deduction Remittances
- Liability and Property and Other Forms of Insurance Premiums, Payments and Adjusting Fee
- Employee Benefit Payments and Premiums
- Tax Remittances
- Charges to and from other libraries

5.0 Professional and Special Services

- Temporary Help
- Banking and Underwriting Services Where Covered by Agreements
- Workers Compensation Payments

6.0 Utilities (normal monthly service charges only)

- Postage
- Water
- Hydro
- Gas
- Telephone
- Internet

7.0 Acquisition and Disposal of Real Property

8.0 Advertising