

CORPORATION OF THE TOWNSHIP OF
CENTRAL MANITOULIN
BY-LAW 2002-29

Being a by-law to ensure only authorized purchases are made which are in the best interests of the municipality.

WHEREAS the Municipal Act, R.S.O. 1990, Chapter 302, Section 101, provides that councils may authorize purchasing;

AND WHEREAS the municipal council of the Corporation of the Township of Central Manitoulin deems it expedient to enact a by-law to govern the authorization of purchasing;

NOW THEREFORE THE MUNICIPAL COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF CENTRAL MANITOULIN HEREBY ENACTS AS FOLLOWS:

1.1 Authorized Purchasers:

The following persons are authorized to initiate purchases for the described purposes:

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| (1) | Clerk-Treasurer | All municipal purposes. |
| (2) | Purchasing Officer | Office supplies and maintenance. |
| (3) | Project Officer | Purchases specifically related to the project. |
| (4) | Roads Superintendent | Roads purposes. |
| (5) | Fire Chief | Fire service purposes. |
| (6) | Maintenance Officer | Building & Park maintenance purposes. |
| (7) | Head Librarian | Library purposes. |

1.2 Delegation of Authority to Purchase:

A person with authority to initiate a purchase may delegate that authority in whole or in part, for purposes of absence, holiday or expediency, to another staff member provided such delegation has received the approval of the Clerk-Treasurer or Council. Any delegation shall be in writing with clearly detailed terms and limits on spending.

1.3 Groups with Authority to Purchase:

The following have authority to initiate purchases by act of resolution. Said resolution shall clearly detail the individual responsible to initiate the purchase. This individual may be a council or board member, the secretary to the board, a contract worker supervised by the board, or the appropriate staff member identified in paragraph 1.1.

- (1) Council
- (2) Mindemoya Community Center Board
- (3) Providence Bay Community Center Board
- (4) Spring Bay Community Center Board
- (5) Interpretive Center Committee
- (6) Library Board
- (7) Cemetery Board

1.4 Purchases Prior to the Adoption of the Annual Budget:

Normal or maintenance purchases that are proposed prior to the adoption of the annual budget should be made under the following rules for the dollar values identified:

- \$500 or less - may be authorized by the individual or group detailed in paragraph 1.1 and 1.3.

\$500 to \$5,000 - may be authorized by the Clerk-Treasurer.

Over \$5,000 - shall be authorized by municipal council.

1.5 Purchases Post Adoption of Annual Budget:

Purchases proposed, after the adoption of the annual budget, and which are understood to be part of the normal operating budget, shall be made under the following rules for the dollar values identified:

\$2,000 or less - may be authorized by the individual or group detailed in paragraph 1.1 and 1.3.

\$2,000 to \$10,000 - may be authorized by the Clerk-Treasurer.

Over \$10,000 - shall be authorized by municipal council.

1.6 Special Purchases Requiring Council Approval:

Any special purchases, for example, capital equipment or capital improvements, for which council wishes to reserve final purchasing approval by act of resolution, shall be clearly identified in the budget and are not included in the authority granted in section 1.5.

1.7 Approved Budget Items:

The Clerk-Treasurer may authorize purchases clearly itemized in budgets approved by council, provided actual costs do not vary in excess of \$2,000 from the budgeted amount.

1.8 Urgent Purchases:

An individual or group identified in paragraph 1.1 and 1.3 may proceed with an urgent purchase in the event that such purchase is immediately required to safeguard health, safety and security of property in the Township of Central Manitoulin. If said purchase exceeds \$2,000 the individual will attempt to contact the Clerk-Treasurer, and failing that, the Reeve of the Municipality, for confirmation to proceed with the purchase.

1.9 Obtaining Competitive Pricing:

These procedures apply for purchases within the following price ranges:

\$500 or less - verbal or in person order to the usual supplier.

\$500 to \$2,000 - purchase order required based upon two documented quotes.

\$2,000 to \$10,000 - purchase order required based upon three documented quotes or tendering as appropriate.

Over \$10,000 - tender is required when goods or services can be defined within definite specifications.
- Proposal is required when price is not the only consideration and when the product or service is evaluated against particular requirements.

Note: the Clerk-Treasurer or Council may grant exceptions to the above rules where special circumstances exist.

1.10 Selection Process for Tenders, Bids and Quotes:

Council reserves the right that review of tenders, bids and quotes may be in a closed or open forum by the committee or group responsible for considering selection. Once award of tenders, bids and quotes has been made by Council, it

shall be the policy of Council to make tender, bid, and quote information available to the public. Council may, by act of resolution, require that tender, bid, and quote information will remain confidential where special circumstances exist.

1.11 Tendering versus Quotation:

“tender” means an application by a bidder to the municipality stating the cost of providing a good or service, or the cost of real property to the municipality with the expectation that a successful bidder will be granted a contract as set out in the Tendering By-law #2002-17.

“request for quotation” or “request for a list of prices” means a request from staff or council to a goods or service provider for pricing or quotation for internal uses, budgeting purposes or funding application purposes. In no way does this signify a tender or the formation of a contract between the good or service provider and the Municipality. This request is to be used as an information gathering tool for future purposes.

1.12 Request for Purchase:

Once the need for a service or product has been identified, the initiator shall obtain a rough estimate of value and next ascertain who has purchasing authority. If the service or product has an estimated value of \$200 or less, a verbal request for purchase may be made to the purchasing authority. For services and products valued in excess of \$200, the initiator shall submit a Request for Purchase in writing which shall clearly detail the following:

- (1) A description of the proposed service or product.
- (2) The estimated value.
- (3) A description of the need for the proposed service or product including the benefits that will result.

Note: an initiator with authority to purchase does not need to create a Request for Purchase.

1.13 Purchase Orders:

Orders requiring a purchase order as per paragraph 1.9 must be approved by the authorized purchaser on a Purchase Order prior to the receipt of any such products or services [NOT AFTER THE FACT]. Purchase orders should not be used for regular billings such as building rent, utilities and telephone. Standing purchase orders should be used for regular billings such as office equipment maintenance. Standing purchase orders should be reviewed periodically to ensure competitive pricing. Purchase Orders shall contain the following information:

- (1) Vendor’s name and address.
- (2) The signature and printed name of the person approving the order and date.
- (3) The cost of the service or product including all tax information.
- (4) The quantity.
- (5) A complete description of the product or service.
- (6) Note of whether specifications or drawings are attached.
- (7) The contract period if applicable.

1.14 Ordering, Shipping & Receiving:

It shall be the responsibility of the purchasing authority or designate to place approved orders and to ensure that competitive shipping methods are chosen. It shall be the responsibility of the purchasing authority or designate to ensure that products received are complete and undamaged. It shall be the responsibility of the purchasing authority to ensure that copies of Purchase Orders and invoices are sent to the municipal office.

1.15 Cheque Requests:

Requests for cheques for items which do not fall into the normal purchasing process or to suppliers who do not accept purchase orders are sent to the Clerk-

Treasurer and will be processed subject to advance notice, proper approval authority, and conformity with the budget and needs of the municipality.

1.16 Invoice Approval:

All invoices will be forwarded to the Accounts Payable unit. Purchasing authorities who ordered products and services will attend the municipal office during the third week of every month to prepare their payment vouchers, attach purchase orders to invoices, assign account numbers to the various invoices and authorize payments with their signature. The signature indicates that the products and services have been received in workable and satisfactory condition, in the quantities indicated on the invoice, that any differences between the purchasing documents and invoice are valid, and that the account number being charged is correct. The Clerk-Treasurer or designate will sign the payment voucher indicating all purchasing documents are present and satisfactory and that the invoices may be paid.

1.17 Forms:

The following forms shall be used and retained as described:

- Request for Purchase: Copy#1 - to be retained by the initiator.
 Copy#2 - to be retained by the purchasing authority.
- Purchase Order: Copy#1 – to be attached to invoice voucher.
 Copy#2 – to be retained by purchasing authority.
 Copy#3 – to be used to initiate order.

In the event that any particular provision or provisions or part of a provision is found to be invalid or unenforceable for any reason whatsoever, then the particular provision or provisions or the part of the provision shall be deemed to be severed from the remainder of this By-law and all other provisions shall remain in full force and shall be valid and enforceable to the fullest extent permitted by law.

READ A FIRST, SECOND AND THIRD TIME THIS _____ DAY OF _____, 2002 AND FINALLY PASSED ON THIS _____ DAY OF _____, 2002.

Reeve

Clerk-Treasurer