

CORPORATION OF THE TOWNSHIP OF TEMAGAMI

BY-LAW NO. 92-

286

BEING A BY-LAW TO ESTABLISH A POLICY WITH RESPECT TO PURCHASING AND
TENDERING PRACTICES FOR THE CORPORATION OF THE TOWNSHIP OF TEMAGAMI

WHEREAS it is deemed expedient to adopt a policy with respect to
purchasing and tendering practices to ensure that the highest
quality of goods and services are obtained at the lowest possible
price;

NOW THEREFORE the Municipal council of the Township of Temagami
enacts as follows:

1. All purchases or contracts for all goods and services required
for the Municipality shall be subject to the terms and
conditions as set out in Schedule "A" of this By-Law.
2. All tendering practices for the purchase or contracts for all
goods and services required for the Municipality shall be subject
to the terms and conditions as set out in Schedule "A" of this
By-Law.
3. This By-Law shall come into force on the day of its adoption.

READ a first and second time this

14th day of MAY, 1992

READ a third time and finally passed this /day-^of

MAY, 1992


REEVE


CLERK

SCHEDULE "A" TO BY-LAW NO. 92-

CORPORATION OF THE TOWNSHIP OF TEMAGAMI

PURCHASING POLICY

1. The purchaser (Department Head) may purchase or contract for all goods and services by his or her department, subject to the following conditions:

- i) on purchases of up to \$500.00 without having to invite written quotations. Under no circumstances should an order be split in two or more smaller orders to waive written quotations.
- ii) on purchases of \$500.00 or more but not exceeding \$5,000.00 after inviting written quotations from at least three (3) known suppliers if at all possible.
- iii) on purchases of \$5,000. or more after advertising for obtaining sealed tenders unless otherwise authorized by Council.
- iv) all purchases must be approved in the annual estimates for the municipality.

2. Purchasing cycle

The normal purchasing cycle begins with the requisition for goods or services and ends with payment to the supplying vendor. Between these two (2) points certain accepted practices should be followed. The following are the basic elements involved in the cycle.

i) Soliciting

a) Informal

When purchasing items of a value of \$500.00, they do not require formal quotations, but, prices can be sought from the most convenient source. Although the process is conducted informally, the purchaser still has the responsibility to seek the best possible price.

b) Written quotation

When written quotations are needed, the purchaser contacts the required number of suppliers and asks them to submit in writing, their quotations for the particular item being purchased. Their quotations should include the price, all terms and conditions, delivery date and transportation charges.

All quotations must be submitted in sealed envelopes and opened all at the same predetermined time. Under no circumstances should an order be split into two or more smaller orders to avoid written quotations.

c) Tenders

A tender has to be advertised at least once in a local newspaper, or you may require invitational tenders. All tenders are to be received in sealed envelopes within the specified time and opened in public at the advertised time in the presence of the Department Head, the Treasurer, and one (1) member of Council.

The following purchases or contracts for all goods and services shall be required to be awarded by public tenders:

- construction and major renovations of buildings
- installation of water, sewers, storm sewers services requiring services of an Engineer
- purchase of large equipment (ie. truck, tractor, etc.)
- major road construction, unless these works are done by the Township
- contracts, such as the contract for garbage collection, supplier of crushed gravel, etc.
- items which are not allocated in the municipal budget must be approved by Council.

The municipality shall award the order or the contracts for the purchases of all goods and services to the supplier that gave the best overall terms, consistent with the required quality.

ii) Purchase Order - Preparation and Control

Every purchase shall be covered by a purchase order, prior to the purchase of any materials, supplies or services. The purchase order is a multiple copy form that is used to authorize the vendor to supply ordered goods or services. It is prepared with an original and at least one copy. The original goes to the vendor and the copy remains in the Treasurers office. The following procedure should be followed for the purchase of services and/or materials:

- a) The Department Head fills in the purchase order form describing the items he wishes to purchase, its price, name and address of vendor, the assigned vendor number and account code.
- b) The purchase order and all other documents attached shall be properly authorized by the Treasurer.
- c) The Department Head shall receive the signed purchase order and he may carry out the purchases as authorized.

iii) Petty Cash Purchase

Purchases involving a small amount of money, or purchases that occur rarely may be purchased through petty cash without a purchase order. Department Heads shall sign and approve such petty cash purchases. Petty cash shall be issued by the Treasurer's office.

iv) Suppliers Invoice

An invoice shall be checked upon receipt for price, extensions, taxes, matched to the purchase order copy and processed for payment.

To complete the process, the Treasurer's Department shall complete the payment date (vendor invoice number, date paid, cheque number and account code) on his copy of the purchase order.

3. The Department Head may carry out purchases of items or services of \$500.00 or less without authorization from the Treasurer but he must follow the following procedures:

- prepare a purchase order and sign it himself
- make sure that he obtains the best offered price
- distribute the copies of the purchase order as described in Section 2 (i i)
- ensure that sufficient funds remain in the approved budget allocation for the current fiscal year for the particular item being requisitioned

4. a) The Treasurer shall be authorized to approve purchases up to a limit of \$5,000. conditional that the purchase does not exceed the amount that was approved in the current year budget.

b) All purchases in excess of \$5,000 shall be approved by the Municipal Council prior to the actual purchase of goods and services.

5. In special situations when the above mentioned policy cannot be applied, the Treasurer shall be responsible to direct the method to be followed for the purchase on contract of goods and services.

6. This purchasing and tendering practice policy applies to all the Departments of the Township of Temagami.