

POLICY MANUAL	Section No. : AD 1–1.4
	Effective : January 1, 2005
	Revised: April 28, 2014
SECTION : Finance	Reviewed : March 17, 2008 ; January 17, 2011; September 17, 2012 , March 18, 2019, February 27, 2023
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Part I PURPOSE

1. Legislative Authority:

1.1 The *Municipal Act, 2001*, Part VI, Section 271, as amended states that a municipality and a local board shall adopt policies with respect to its procurement of goods and services, including policies with respect to:

- a) The types of procurement processes that shall be used;
- b) The goals to be achieved by using each type of procurement process;
- c) The circumstances under which each type of procurement process shall be used;
- d) The circumstances under which a tendering process is not required;
- e) The circumstances under which in-house bids will be encouraged as part of a tendering process;
- f) How the integrity of each procurement process will be maintained;
- g) How the interests of the municipality or local board, as the case may be, the public and persons participating in a procurement process will be protected;
- h) How and when the procurement process will be reviewed to evaluate their effectiveness; and
- i) Any other prescribed matter. 2001, c25, s. 271 (1).

1.2 Under the Accessibility for Ontarians with Disabilities Act, 2005, *Integrated Accessibility Standards*, all Library procurement of goods, services and facilities will incorporate, where appropriate, accessibility criteria and features. If it is determined that it is not practical to incorporate accessibility criteria and features into the good, service or facility being purchased, an explanation as to why it is not practical to do so will be noted where it can be shared as necessary.

Accessibility Checklist (Adapted from AccessON)

Type of Purchase	Criteria to consider
Goods	<ul style="list-style-type: none"> • Can the goods be used by someone: <ul style="list-style-type: none"> ○ In a seated position? ○ Using one hand, with limited upper body strength, or limited fine motor skills? ○ With vision loss or low vision? ○ With hearing loss? • Can the product be customized to meet a variety of needs? • Are support materials, such as manuals, training or service calls, available in accessible formats at no additional charge? • Does it work with common assistive devices?
Services	<ul style="list-style-type: none"> • Does the firm provide accessible customer service, as required under the Customer Service Standard? • Can the service provider accommodate the needs of people of all abilities? For example, if you're hiring someone to conduct research, do their surveys and interviews accommodate people with different types of disabilities? • Will the company use accessible signage, audio and/or print materials? For example, if you're hiring an event coordinator, will they use high contrast signage for the event?
Facilities	<ul style="list-style-type: none"> • Can someone using a mobility aid, like a wheelchair or walker, get around the facility? • Are signs placed at an accessible height? • Does the facility have emergency procedures to assist people with disabilities? • Can someone with a disability use the facility as quickly and easily as a person without a disability?

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2. Purpose of Purchasing Policy

The purpose of this policy is to set out guidelines for the Library Board to ensure that all purchases of materials, supplies, and services provide the lowest costs consistent with the required quality and service.

An open and honest process shall be maintained that is fair and impartial.

The purchasing policy will promote and maintain the integrity of the purchasing process and protect the Library Board, vendors and staff involved in the process by providing clear direction and accountabilities.

Part II Definitions

“Approved Receipt” means an original supplier’s invoice/receipt issued at the time of purchase, not exceeding \$ \$1,000.00, and which bears both the signature of an appropriately authorized employee and appropriate account number(s) for approval purposes.

“Award”, “Awarded” and “Awarding” mean authorization to proceed with the purchase of goods or services from a chosen supplier.

“Bid” shall mean a submission from a prospective vendor in response to a request for the purchase of goods or services issued by the Library.

“Blanket Order” shall mean the agreement wherein a vendor will sell certain items to the Library for an agreed period of time with established terms and conditions.

the “Board” shall mean Welland Public Library Board.

“Board Chair” shall mean the Chairperson of the Welland Public Library Board.

“Chief Executive Officer (CEO)” shall mean the Chief Executive Officer/Chief Librarian of the Welland Public Library.

“Contract” means any formal legal agreement for supply of goods, services, or equipment.

“Emergency Purchase” shall mean a purchase made in a crisis situation where immediate action is required to prevent the possible loss of life or property.

“Formal Quotation” shall mean a document that sets out particular requirements for goods and/or services.

“Informal Quotation” shall mean a competitive bid process for goods or services that is conveyed and received from bidders in a written format by e-mail, mail or fax.

“Library” shall mean the Welland Public Library.

“ Business Services Manager” shall mean the staff person who assumes primary responsibility of the Library’s financial functions in the absence of the Chief Executive Officer.

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“Purchase Order” means the legal document that is the Library’s commitment to the supplier for the value of the goods or services ordered. It is also the supplier’s authority to ship and charge for the goods specified on the order.

“Purchasing Card” means a card that can be used by authorized employees of the Library to purchase goods as outlined in Paragraph 16 of this Policy.

“Purchasing Designate” shall mean a person designated by the Chief Executive Officer to exercise any or all responsibilities of the CEO or Business Services Manager with respect to this policy.

“Request for Proposal” means an offer to supply goods or services on which results are outlined but no detailed specifications given to the bidders as to the goods or how the work is to be performed; the goal is to obtain a unique proposal designed to meet broad outcomes to a complex problem or need for which there is no clear or single solution.

“Tender” means a document which sets out particular specifications for the commodity or service required. This can also refer to an offer in writing to execute some specified work or to provide some specified articles at a specified rate.

“Vendor” shall mean any person or enterprise supplying goods or services to the Welland Public Library Board.

“Welland Public Library Board” herein is also referred to as the “Board”.

Part III Purchasing Guidelines

3. The CEO along with the Business Services Manager shall establish purchasing procedures consistent with the Purposes set out in this policy and to any other aspect of the process not specifically provided for in this policy.
4. Except as otherwise stipulated, any purchase of goods, services or equipment shall be made on a competitive basis, in keeping with accepted public purchasing practices and in accordance with the applicable federal, provincial, and municipal laws. The Library does not solicit in-house bids in competition with outside firms.
5. No Contract for services shall be awarded where the services would result in the establishment of an employee-employer relationship.
6. Where an employee involved in the Award of any Contract, either on his or her own behalf or while acting for, by, with, or through another person, has any pecuniary interest, direct or indirect, in the Contract, the employee shall,
 - a) immediately disclose the interest to the CEO or Business Services Manager involved in the Award of the Contract and shall describe the general nature thereof;
 - b) shall not take part in the Awarding of the Contract and
 - c) shall not attempt in any way to influence the Awarding of the Contract.
7. Board members shall conduct themselves in accordance with the *Municipal Conflict of Interest Act*, R.S.O. 1990, c. M.50 as amended.
8. Except as otherwise provided, no work may commence or commitment to purchase goods may be entered into, until such time as an official Purchase Order has been issued or a Contract signed, and all necessary documents and approvals received.
9. All tenders, requests for proposals, or quotations received after a closing date are returned to vendors unopened.

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Part IV Purchasing Responsibilities

10. The Board has ultimate authority for all expenditures. The Board delegates this responsibility by the authorization of budgets or by specific resolution. The CEO cannot pay for any item that has not been authorized by the Board through budget appropriation or specific resolution. This purchasing policy provides guidelines outlining how spending authorities are to be used.
11. The CEO shall be responsible for approval of accounts within the approved budget for such division or any amendment to same as approved by the Board. Unspecified capital expenditures in the annual estimates over \$ \$10,000 require prior Board approval by resolution.
12. Resolutions approving budget amendments, capital expenditures, or special appropriations shall contain purpose of expenditure, cost estimates or expenditure limitation, and the fund in which an appropriation has been provided. All staff reports recommending such resolutions shall contain the CEO's endorsement.
13. The Manager shall be authorized to make small order purchases of goods and services up to an amount of \$1,000 from a vendor and upon such terms and conditions as the CEO deems appropriate.
14. The CEO and/or Business Services Manager may appoint a Purchasing Designate to exercise any or all responsibilities assigned to that officer by this policy.

Part V Purchasing Mechanisms

Direct Purchases – Low Dollar Value Items

15. Purchases made pursuant to this Section do not require quotes but shall be made from the competitive market place at a fair market value wherever possible and may be made by using petty cash, Approved Receipt, or a Purchasing Card.
16. The CEO in conjunction with the Business Services Manager shall have authority to establish petty cash funds in such an amount to meet the requirements of a Department for the acquisition of goods and services having an individual total acquisition cost of \$100.00 or less. All petty cash fund disbursements shall be documented by signing and certifying a receipt or invoice indicating that the goods have been received and shall be available for auditing purposes.

Informal Quotation Purchases

17. When the requirement for goods or services has an estimated value more than \$500.00 up to \$10,000.00, excluding taxes and freight, the CEO or BUSINESS SERVICES MANAGER, with a properly signed purchase requisition, is empowered to make the purchase from such suppliers and upon such terms and conditions that are best for the Library. Staff is to solicit two written informal quotations whenever possible. These informal quotations must be submitted to the CEO or BUSINESS SERVICES MANAGER for approval before the purchase is made.

Formal Quotation

18. Formal Quotations will be called where the requirement for goods or services is estimated to be more than \$10,000.00 up to \$39,999 excluding taxes and freight. The purchase may be made provided that a minimum of three sealed Formal Quotations have been obtained and upon recommendation by the CEO and approval from the Board.

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Tender Purchases

19. The CEO shall not order goods or services exceeding \$\$40,000 without requesting and obtaining sealed tenders for the goods and services unless specifically authorized to do so by a resolution of the Board for a particular transaction. At least three (3) bids must be obtained whenever possible.

Requests for Proposals

20. The CEO may use a Request for Proposal in place of a Tender or Formal Quotation when goods or services cannot be specifically stipulated or when alternative methods are being sought to perform certain functions or services.
21. The CEO, prior to the issuance of the Request for Proposal, shall approve the evaluation criteria and process for the Request for Proposal.
22. When the preferred proposal exceeds the approved budget appropriation, the CEO shall submit a report to the Board for direction.

Blanket Orders

23. A Blanket Order may be used where the same goods or services are repetitively ordered and the actual demand is not known in advance.
24. The CEO may establish Blanket Orders using the applicable bid mechanism based upon the estimated annual expenditure.
25. In the case of equipment repairs and equipment rentals for amounts not exceeding \$ \$20,000, the CEO or Business Services Manager shall be authorized to select vendors not solely on the basis of cost, but also on ability, quality of workmanship, service availability, overall performance and experience without first obtaining quotations.
26. Blanket Orders shall be issued for a specific period with all ordering departments responsible for maintaining purchases within budget allocations.

Emergency Purchases

27. The CEO or designate shall be authorized to make emergency purchases in excess of \$10,000 upon the approval of the Board Chair. The CEO shall present a report to the Board at its next meeting.

Purchase by Negotiation

28. The CEO/designate may purchase by negotiation with one or more vendors under which a formal bid process may be waived under the following conditions:
 - a) When market conditions and in the judgment of the CEO, the goods are in short supply.
 - b) Where there is only one source of supply for the goods or services or where only one source of supply would be acceptable and cost effective.
 - c) Where the existence of exclusive rights held by a supplier or the need for compatibility with goods and services previously acquired and there are no reasonable alternatives or substitutes.
 - d) When the goods and services are required as a result of an emergency which would not reasonably permit the use of a process other than direct negotiation.

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- e) The required goods and services are to be supplied by a particular Vendor or supplier having special knowledge, skills, expertise, or experience.
- f) Where two or more identical bids have been received.
- g) Where the lowest tender or quotation meeting specifications substantially exceeds the estimated cost and it is impractical to recall the tender or quotation.
- h) when all bids received fail to meet the specifications or tender terms and conditions and it impractical to recall tenders or quotations.

29. Any negotiated purchase contract estimated to be more than \$10,000 in value, excluding taxes and freight, shall be subject to approval from the Board.

Cooperative Purchases

- 30. The CEO and Business Services Manager shall have the authority to join or participate with other units of government including local municipalities, local boards, commissions and agencies in cooperative purchasing, and bulk buying of goods. The policies of the government agencies or public authorities calling the cooperative Bid Solicitation are to be the accepted policy for that particular purchase.
- 31. Purchases made through co-operative buying procedures involving the Library require Board approval only where the Library’s portion of the purchase will exceed \$10,000 in value, excluding taxes and freight.
- 32. Notwithstanding the above, adherence to this purchasing policy is not required with respect to those items listed below, or to a transaction specifically authorized by resolution of the Board to be exempt from this tendering policy.
 - a) Purchases for consulting services for a program where services have been awarded to a consulting firm on an on-going basis when clearly identified in the budget.
 - b) Purchase of replacement parts where the original equipment manufacturer is the sole provider of that equipment.
 - c) Single source supply.

Part VI Exceptions

33. A CEO or Business Services Manager may request exemption from any or all the purchasing methods outlined in this policy by submission of a report requesting the same to the Board. Such exemption may be granted by resolution.

Part VII Exclusions

- 34. Competitive Bids shall not be required for goods or services provided by any of the following when such goods or services are not available elsewhere, including, but not limited to:
 - a) Utilities, government agencies, Crown corporations, traveling expenses, meals/food, conferences, seminars, training, memberships, subscriptions, medical exams, licenses, in-house services, and any other goods or services as approved by the Board.
 - b) As identified elsewhere in this policy.

Part VIII Administration

35. No contract or purchase shall be divided to avoid any requirements of this policy.

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36. In all purchases, price shall be the prime selection criterion prior to any special provisions or add/delete calculated into the bid price, providing that all specification requirements are met. Such specifications are to be generic or “as equivalent”. All factors influencing the purchasing decision are to be included in the specifications.
37. The Library may participate with other public libraries or public authorities in co-operative purchase ventures when the best interest of the Board will be served. Where such participation is at variance with the Library’s Purchasing policy, the Board shall authorize any participation.
38. Performance evaluations may be undertaken on suppliers and providers of service.
39. All invoices and accounts from vendors shall be authorized prior to payment. Authorization in the form of signatures of the CEO or BUSINESS SERVICES MANAGER and staff denoting clerical accuracy, budgetary, or specific resolution approval and indication that goods and services were received in good order must be in place. These required signatures will be deemed to authorize payment.
40. Between the last regular meeting of the Board in any year and the adoption of estimates for the next year, the CEO is authorized to pay the account of any ordinary business transactions of the Library that are required to maintain services. This shall include the payment of accounts or previously approved capital items and projects.
41. After the adoption of the estimates, the CEO is authorized to pay the accounts approved by the BUSINESS SERVICES MANAGER and to pay contract accounts upon receipt of evidence of value received and which the appropriate officer approves.
42. Notwithstanding the provisions of this procedure, the Library shall have the right to reject the lowest or any bid at its absolute discretion. The Library also reserves the right to reissue the bid document in its original format or modified as best suits the requirements of the Library.

Part IX Conflict of Interest

43. The CEO or BUSINESS SERVICES MANAGER shall not open and consider any bid, or otherwise acquire any goods or services from a Board member or employee of the Library unless the Board member or employee obtains approval from the Board prior to the close of the bid or the acquisition of the goods.
44. No Board member or employee of the Library may purchase goods or services for personal use through the Library unless authorized by the Board or the CEO.
45. No Board member, officer or employee of the Library shall allow contact with a person, or any officer, employee or agent of the person who has submitted a bid to the Library unless the bid call has been awarded or the contact is for the purpose of receiving a complaint.

Part X Retention of Documentation

46. All background information, information submitted by Vendors, Purchase Orders and other relevant information involved in obtaining prices for goods and services exceeding \$10,000.00 shall be retained for the entire budget year and five (5) years in records retention.

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Part XI Purchasing Process Review

47. The CEO//designate may randomly review departmental purchasing related files on an on-going basis to review the effectiveness and integrity of the processes and policy adherence.
48. CEO may bring forward from time to time, amendments to this Policy to update, whether adding new clauses or adjusting those currently in force.
49. This Policy will be subject to complete review and will be submitted to the Board for approval at the beginning of each new term of the Board.