

COUNTY OF WELLINGTON POLICY & PROCEDURE MANUAL			
DEPARTMENT	TREASURY	POLICY NUMBER	
SECTION	PURCHASING TENDERING	AND	EFFECTIVE DATE
SUBJECT	PURCHASING PROCEDURES		
AUTHORITY	County of Wellington Council – November 2008		

PURPOSE:

1. To achieve consistency, efficiency and competitiveness in the procurement of goods and services by the County of Wellington.

STATEMENT

1. The anticipated expenditures and purchases of the Corporation of the County of Wellington are embodied in the Annual Estimates Bylaw approved by Wellington County Council. Throughout the calendar year the responsibility for monitoring the process of purchasing and tendering is shared by Council's Committees and staff.
2. The procurement of goods or services, including obtaining prices, tendering, preparing specifications, advertising, authorizing or obtaining authorization to purchase shall be the responsibility of each Department Head or the CAO.
3. Quality, delivery times, long term benefits of services and commodities, and cost of County staff supervision/co-ordination will be given consideration equal to that of price, when purchasing decisions or recommendations are being made.
4. Purchases of major unbudgeted items will be recommended by the Department Head or the CAO for approval by the responsible Committee of Council. Unbudgeted emergency purchases will be reported to the responsible Committee of Council at the earliest scheduled meeting, or at a meeting specially called for that purpose.

5. In order to receive the benefits of group purchasing, staff are encouraged to work through the Wellington County Public Sector Consortium or similar public or private purchasing association to make one-time, lease or contract purchases. Should articles in this policy unduly hamper the efficiency of the operation through delays in purchasing of budgeted items, upon written request by a Department Head, they may be overridden on the authority of the CAO. Purchases so made will be reported to the appropriate Committee of Council.
6. This policy is not intended to cover all purchases by the County of Wellington; in cases to which the policy does not apply, the process will be determined by the appropriate Council Committee in consultation with the CAO and Department Head.

METHODS OF PROCUREMENT

When practical, competitive prices should be sought by soliciting verbal or written prices, by the use of open or invited quotations, or tenders or requests of proposals, participation in the consortium or piggy-backing with local municipalities before purchases are made.

Where long term, valued relationships exist with material, equipment or support services providers, they should be examined periodically to ensure that the County is getting the best value when purchasing.

- a) Verbal Order
 - ordering services or materials verbally
 - vendor documentation is not required
 - on orders under \$1000.00, three (3) prices will be sought when practical
- b) Open Quotations
 - advertising in newspapers
 - no contract with the supplier which specifies quantities
- c) Invited Quotations
 - no advertising in newspapers
 - no contract with the supplier which specifies quantities
 - a minimum of three (3) quotes will be sought
- d) Invited Tenders
 - no advertising in newspapers
 - results in a contract with a supplier for a specified quantity of goods and services, or period.
 - a minimum of three (3) tenders will be sought

- e) Open Tender
 - advertising in newspapers
 - results in a contract with a supplier for a specified quantity of goods and services, or period.

- f) Request for Proposal (RFP)
 - to be used when staff resources are insufficient ie. technical skills or time are required
 - may be advertised or invited
 - includes the scope of the intended project, the terms of reference, a suggested method of billing and the timing of the project
 - amount quoted for the project can be on the basis of an upset limit in which case no additional monies will be paid to the consultant for the agreed upon services, or on the basis of an estimate for time spent on the project where exact amounts cannot be determined.

- g) Time and Material
 - a quoted rate per hour and the material used will be paid for by the County

- h) Service Agreements
 - an agreement for a specified period of time to provide routine service or maintenance to keep a piece of equipment or systems in proper operating condition.

PURCHASING PROCEDURE

Each step in the procedure below should be considered, although some may be eliminated on request of the Department Head and with the approval of the CAO.

1. Purchase Source

The responsible Department Head, in consultation with the CAO if necessary, will determine the method of sourcing based on the characteristics of the commodity to be procured ie. term, quantity, estimated cost, funding source, etc., in accordance with the Methods of Procurement of this Policy.

2. Approval of Purchase

A vendor or consultant is chosen, and prices and terms of the purchase are defined. Depending on the purchases characteristics, approval to commit the County to the purchase is obtained from one of the following levels of authority:

- a) County Council
 - County Council is the ultimate authority for all purchases.
 - County Council may delegate approval authority to its Standing Committees and staff, by by-law, resolution or through this policy.
 - unless otherwise authorized, only County Council can authorize real estate purchases, construction contracts, and unbudgeted purchases necessitated by in-year policy initiatives of Council.
 - County Council may rescind any delegation of purchase approval authority by the same means it was granted ie. by-law, resolution or policy.
- b) Standing Committees of Council and the WCPSB
 - Standing Committees of Council and the Wellington County Police Services Board may authorize purchases over \$100,000 resulting from tenders, quotes and RFPs related to a Department's operational or maintenance requirements.
 - when the lowest tender, quote or RFP is not being recommended by staff, authorization must come from the Standing Committee or WCPSB.
 - purchasing approved by a Standing Committee of Council or the WCPSB may be processed prior to review by County Council.
- c) Staff
 - the CAO is responsible for the application of, and the adherence to, this Purchasing Policy.
 - Department Heads are responsible for all purchasing done in their Department. Authority for purchasing may and will be delegated to staff by the CAO or Department Head as deemed appropriate.
 - through County Council adoption of the Annual Estimates, staff are deemed to have authority for approval of all planned and budgeted purchases that are not solely within the purview of Council or its Standing Committees (including the WCPSB).

- staff have authority to award purchases up to \$500,000 provided the lowest prices are being accepted/**in accordance with Statement # 3** and based on the following process.

The following signing authority limits are to be applied for both Capital and Operating Budgets and will be managed and maintained based on the County's Purchasing Procedures.

- Managers up to \$50,000
- Department Heads \$50,0001 to \$100,000
- CAO \$100,001 to \$250,000
- CAO & Treasurer \$250,001 to \$500,000 (signed award memo)
- County Council \$500,001 +

3. Agreement to Purchase

May or may not involve a formal agreement being signed by the vendor, and may be supported by a PURCHASE ORDER where appropriate. The format of the purchase order will be designed by the Purchasing and Treasury Departments, and will include, but not be limited to, the following:

- a) the date when the purchase order is being filled out,
- b) the vendor or company name and contact person,
- c) the quantities, description and unit prices of the goods or services being purchased,
- d) the reference to a tender number or contract if appropriate,
- e) the place and date of the delivery of the items being purchased,
- f) the accounting reference where the purchase will be charged and
- g) the signature of the person authorizing the purchase, or an employee so designated to sign.

Note: A purchase order shall be filled out and forwarded to accounts payable when goods or services are being ordered, not after they are received.

4. Delivery

Upon receipt of the goods or services, documentation such as packing slips, service receipts or labour reports must be sent to accounts payable to be matched with the purchase order.

5. Payment

Will only take place with the receipt of an invoice or a statement from a vendor. Before a payment is processed the invoice or statement is reviewed and approved by the Department Head or their designate, must be merged with the purchase order and the delivery slips to validate the price, quantities and the terms of payment.