



Procurement Policy

Approved: 2020-09-15

Motioned by Commissioner Van Kroonenberg

"I move that Village of Bible Hill revoke the Purchasing Policy and Corporate Credit Card Policy, and adopt the Procurement Policy, with an amendment that petty cash fund be increased to \$300, otherwise as presented by Clerk and Treasurer Bell."

Seconded by Commissioner Pitcher

Motion carried

Purpose

1. To provide procedures for the procurement of goods, services, and/or construction by the Village that establishes and maintains public accountability, consistency, competitiveness, and a high degree of confidence in the purchasing process, while providing best value to the Village.

Definitions

2. In this policy,
 - a. "Clerk and Treasurer" means the person appointed and employed by the Village as Clerk and Treasurer as described in the Municipal Government Act, and Chief Administrative Officer.
 - b. "GS&C" means goods, services, and/or construction considered for procurement.
 - c. "Village" means Village of Bible Hill.
 - d. "Village Commission" and "Village Commissioner" have the same meanings, as defined in the Municipal Government Act.

Principles Supporting Policy

3. Village of Bible Hill has the objectives of:
 - a. purchasing GS&C at the lowest possible cost that is nevertheless consistent with an acceptable level of quality, delivery, service, and past performance; and
 - b. providing a control mechanism over the purchase of GS&C relative to budgetary approvals.

Terms of Policy

Application

4. This policy applies to the procurement of all GS&C by purchase or lease.
5. All employees and Commissioners must act in good faith to comply with this policy, nevertheless, failure to comply with this policy does not invalidate any purchase decision or act of the Village, nor is the Village liable to any supplier or proponent for failing to comply with this policy.

Procedures

6. It is the responsibility of the Clerk and Treasurer to ensure that all procurement by the Village is for Village of Bible Hill use, cost-effective, and is carried out in accordance with this policy and legal requirements.
7. Department heads are responsible to requisition the procurement of GS&C for their respective departments to the Finance Officer, subject to the procedures as set out within this policy.
8. Subject to the specific sections of this policy, where possible, all GS&C are to be procured on a competitive basis.
9. Consistent with the stated objectives, all procurement made on a competitive basis must be made at the lowest possible cost, provided the quality, delivery and service are equivalent. Past performance is an important consideration factor.
10. Department heads must consolidate and standardize items used within their respective departments. The Finance Officer must strive to ensure procurement of standardized items, and the Clerk and Treasurer must encourage the overall standardization of items used by the Village.
11. When more than one department requires similar GS&C within a similar timeframe, procurement must be combined to achieve the most cost-effective acquisition possible.
12. When significant cost savings may accrue to the Village, consideration should be given to coordinating purchase of common GS&C with other levels of government.
13. Effort must be made to ensure that descriptions and/or specifications used to obtain pricing are clear, concise, and fair.
14. A list of suppliers/vendors capable of providing GS&C used on a regular basis should be developed and maintained by the Finance Officer or delegate, with assistance from department heads.
15. Wherever possible and economical, specifications prepared are to provide for the expanded use of GS&C that contain the maximum level of post-consumer recyclable

waste and/or recyclable content, without significantly affecting the intended use or cost of the GS&C.

16. Where certain GS&C that meet the needs of the Village may only be provided by one supplier, and therefore the normal procurement practices are determined to be redundant, negotiation is to be the method used to complete the terms and conditions of purchase.
17. The Finance Officer must maintain a filing system that records proof of verbal and written quotations and bids. Staff designated with purchasing authority are responsible for obtaining and providing such records to the Finance Officer in a timely manner.
18. The Accessibility Advisory Committee must be permitted any notice, time, or other stipulation that relates to the procurement process, that is included from time to time in the Accessibility Plan of the Village, with the exception of procurement in emergency situations.
19. If an employee authorized to make a purchase or award a contract has a perceived or actual conflict of interest in a procurement process involving their position, the conflicted employee must report the perceived or actual conflict of interest immediately to their direct supervisor and not participate in the procurement process in any manner. The direct supervisor shall inform the Clerk and Treasurer in a timely manner.
20. Multi-year contracts for GS&C that are required to be procured by public tender under this policy must be re-tendered at least once every five years but may be re-tendered more frequently at the discretion of the Village Commission.

Purchase orders

21. Subject to the specific sections of this policy, a purchase order must be issued to authorize a vendor to supply GS&C for all purchases. A purchase order must be used as the tool to finalize an award process for the procurement of GS&C.
22. Purchase orders must be requisitioned and duly approved prior to purchase to ensure the department head is aware of all expenditures.

23. Standing purchase orders may be issued annually for GS&C supplied to the Village on a continual basis, subject to satisfactory pricing and quality. Standing purchase orders should be prepared in April of each year.
24. If, for urgent reasons, immediate acquisition is necessary and it is not possible to deliver a purchase order prior to acquisition, a purchase order will be issued as soon as possible thereafter and marked "confirmation".
25. No purchase order is required for a purchase otherwise authorized by the Clerk and Treasurer when such expenditure is within the budget allocation.

Purchasing process

26. There are four levels of purchasing which must be observed:

a. Informal purchasing

- i. Where the value of individual GS&C does not exceed, in any one case, one thousand five hundred dollars (\$1,500), at least one verbal or written quotation must be obtained. Formal price comparisons are not necessary but may be appropriate from time to time to ensure the Village receives the best value. Such purchases, if within budget allocation, may be approved by staff that have been designated by the Clerk and Treasurer to have purchasing authority. It is the responsibility of the purchasing authority to confirm, prior to purchase, whether sufficient budget allocation exists.
- ii. Where the value of any individual GS&C exceeds one thousand five hundred one dollars (\$1,501) but does not exceed five thousand dollars (\$5,000), no less than two verbal or written quotations must be sought, and written record kept. Such purchases, if within budget allocation, may be approved by the Clerk and Treasurer, or otherwise by resolution or motion of the Village Commission.
- iii. It is the practice of the Village to support local suppliers as much as possible, in compliance with the policy principles, for informal purchasing.

b. Invitational bids

- i. Where the value of individual GS&C exceeds five thousand dollars (\$5,000), but does not exceed:

Goods	Twenty-five thousand dollars (\$25,000)
Services	Fifty thousand dollars (\$50,000)
Construction	One hundred thousand dollars (\$100,000)

in any one case, at least three suppliers must be invited to submit a quotation in writing for the supply of GS&C. At least two quotations must be obtained.

- ii. Where the particulars or specifications of GS&C necessary to satisfy the Village's requirements are indeterminable, the Village may issue a request for proposals as a formal invitation to suppliers to describe how their services, methods, equipment, and/or products can address and meet the requirements of the Village.
- iii. The requisitioning department head must prepare required specifications for the GS&C, and the Finance Officer and/or Clerk and Treasurer must prepare the letter of invitation.
- iv. The purchase must be approved by resolution or motion of the Village Commission.
- v. Where suppliers of the GS&C to be procured are indeterminable or, if in the opinion of staff, an invitational bid process would not produce adequate results, staff may use a publicly advertised tender process as defined herein.

c. Publicly advertised tenders

- i. Where the value of individual GS&C exceeds:

Goods	Twenty-five thousand dollars (\$25,000)
Services	Fifty thousand dollars (\$50,000)
Construction	One hundred thousand dollars (\$100,000)

in any one case, public tenders must be solicited through public advertisement in accordance with the Atlantic Procurement Agreement.

- ii. Where the particulars or specifications of GS&C necessary to satisfy the Village's requirements are indeterminable, the Village may issue the public

tender as a request for proposals as a formal invitation to suppliers to describe how their services, methods, equipment, or products can address and/or meet the requirements of the Village.

- iii. The department head, in consultation with the Finance Officer and Clerk and Treasurer, must prepare specifications and advertisement for the procurement of GS&C, and the Clerk and Treasurer must approve the final document prior to public advertisement.
- iv. A public tender call must only be made if the GS&C have been budgeted for or otherwise approved by Village Commission.
- v. Advertisement of public tenders must be posted in a local or Provincial newspaper in print or electronic format, and/or on the Service Nova Scotia and Internal Services Procurement website. Additional methods of advertisement may be used to supplement, but not replace the preceding method(s).
- vi. The Village may directly notify specific suppliers of a public tender call and invite those suppliers to respond if the Village believes that doing so is likely to improve the quality or quantity of bids or proposals.
- vii. The purchase must be approved by resolution or motion of the Village Commission.

d. Alternative acquisition

- i. Certain circumstances, as listed in Appendix B, can present the need for exceptions to the aforementioned processes of procurement, therefore alternative purchasing processes are available for such cases to obtain GS&C. The appropriate process shall be determined by:

Up to \$5,000	Clerk and Treasurer or Village Commission
> \$5,000	Village Commission
- ii. Effort must be made to ensure that the chosen alternative process of procurement varies no more than necessary from regular procurement process.

- iii. An alternative procurement process must not be used to avoid competition or to discriminate against specific suppliers.
- iv. Further to the circumstances listed in Appendix B, in the case of a pressing emergency, where the delay resulting from inviting tenders or bids would be injurious to the public interest and/or the Village's assets, and quorum of Village Commissioners cannot be reached within a reasonable amount of time, the Clerk and Treasurer as the Chief Administrative Officer may approve the purchase and report it to the Commission at the earliest date thereafter.
- v. Notwithstanding any policy term, the Village may use another method of purchasing GS&C in addition to or in substitution of processes provided under this policy, including but not limited to a request for expressions of interest or a pre-qualification process, if a resolution or motion of the Commission is passed.

Purchase payment methods

27. There are several means by which the purchasing of GS&C may occur. The following methods are the acceptable means of purchase payment. Additional protocols for each method are outlined in Appendix A.

a. Petty Cash

- i. A petty cash fund of no more than \$300 is to be maintained by the Finance Officer. The Finance Officer is responsible for the petty cash fund, its replenishment, and preparing fiscal period reporting documents related to the funds held.
- ii. Expenditures from the petty cash fund must be for miscellaneous items and must not exceed, in any one case, one-hundred dollars (\$100.00).
- iii. A department head may choose to use a method other than petty cash for procurement of miscellaneous GS&C if it would be counter-productive to use petty cash.

b. Credit card

- i. Credit cards issued to staff may be used for emergencies, informal purchasing as defined herein, or when a vendor does not offer terms on account and issuance of payment in advance is not practical or convenient.

- ii. Village of Bible Hill authorizes the issuance of credit cards to the following employees: Administrative Services Coordinator, Maintenance Foreman, Parks and Recreation Director, and the Clerk and Treasurer.
- iii. Original receipts must be maintained by the cardholder and submitted to the Finance Officer monthly or as agreed otherwise by both parties.

c. Trade account

- i. The Village has several existing corporate trade accounts for retail and wholesale operations. Trade accounts are to be the preferred method of payment, and therefore all attempts shall be made to ensure a supplier will open an account and accept a purchase order, except for when using purchase payment method a or b.
- ii. Trade account numbers are to be maintained by the Finance Officer and are to be forwarded to a department head for purchase only after the bid process is undertaken and an internal purchase order has been requisitioned and duly approved.

Appendix A – Additional procedures and controls

28. Petty Cash

- a. The Finance Officer is the default petty cash custodian. The Finance Officer may delegate this duty to another employee on agreement of both parties and the Clerk and Treasurer.
- b. Petty cash is to be replenished regularly to avoid shortages and to record expenditures within the fiscal period they have occurred.
- c. Petty cash shall be balanced and replenished at the end of the fiscal year – March 31.
- d. Petty cash is not replenished or supplemented from sources other than reimbursements from the Finance Officer.
- e. Petty cash is not used for loans, advances, personal expenses, or to cash cheques.
- f. Petty cash is not used to make payments to individuals for services, except for services that are small and non-recurring in nature.
- g. A petty cash voucher is to be prepared for each withdrawal indicating the details of that withdrawal. The person making the purchase is required to return the original sales slip to be attached to the voucher, along with remaining funds.
- h. Petty cash use is facilitated and approved by the custodian and is to be supported by original receipts.
- i. Petty cash is reconciled monthly by the custodian and confirmed by an employee other than the custodian.

29. Credit card

- a. Payment of personal expenses or cash advances are not permitted.
- b. Billing statements must be reviewed by the Finance Officer and matched with appropriate documentation including purchase order, packing slip, and original sales receipt and/or invoice.
- c. A copy of all billing statements, if any, must be supplied to the Clerk and Treasurer and Finance Officer for information, on the same basis as issued.
- d. A copy of the billing statement of the Clerk and Treasurer, if any, must be supplied to the Commission Chair for information, on the same basis as issued. The Commission Chair may inquire with and request additional information or support from the Clerk and Treasurer on any questionable items, and may direct any reasonable matter to the Commission or a Committee for further review.

- e. The Finance Officer must reconcile expenditures with the billing statements on the same basis as issued, and inquire on any questionable items with the cardholder.
- f. The Clerk and Treasurer must review reconciled billing statements for propriety of use on the same basis as issued, and inquire on any questionable items with the cardholder.
- g. Billing statements are paid on time by way of automatic withdrawal to prevent the addition of service or interest charges.
- h. A credit card must be safe guarded by the cardholder and stored in a secure location when not in use.
- i. A credit card is only used by the person named on the card or designate approved by the cardholder.

30. Purchase order

- a. Purchases are initiated with the appropriate level of signed authorization.
- b. A written agreement or contract may be completed when warranted instead of or in addition to a purchase order (i.e. for retaining consultants or service providers).
- c. Quotations are obtained in accordance with the policy.
- d. A purchase of more than one similar or related item that would under normal circumstances be made as one purchase must not be split to circumvent requirements for purchase orders or competitive bidding (i.e. the purchase of crosswalk infrastructure must not be split between poles, lights, and install, etc).
- e. Whenever reasonably possible, unless otherwise provided in this policy, purchase initiation, receiving of goods, and financial information system entries are to be performed by different individuals.
- f. The original copy of a purchase order must be forwarded to the vendor, the carbon copy must be forwarded to the Finance Officer once issued for matching with the vendor's invoice when received, and the department head must retain the third copy. The purchase order must be signed by the proper authority depending on the cost of the goods acquired, as outlined in the 'purchasing process' section of this policy.
- g. The purchase order must describe the GS&C, the account and/or project to be charged, the terms and conditions, and must be priced and extended as to total cost.

31. Public tender

- a. Public tender documents must be prepared based on the template in place from time to time as approved by the Clerk and Treasurer, that includes at a minimum:
 - i. Instructions to bidders;
 - ii. Tender information to understand the project background, scope, and other relevant details;
 - iii. General conditions;
 - iv. Bid sheet;
 - v. Drawings and/or specifications, where appropriate;
 - vi. Contract agreement, where appropriate; and
 - vii. Disclosure that tender documents and bids/proposals will be open to the public, except to the extent otherwise stated, as per Part XX of the Municipal Government Act.
- b. Public tender documents must set out the closing date and time, the fact that all tenders submitted must be in sealed envelopes, clearly marked with the purposes of the tender.
- c. The following privilege clauses must be included in each tender document:
 - i. The Village reserves the right to cancel this tender and any and all proposals submitted for any reason without penalty or liability to any proponent.
 - ii. Proponents are advised that the lowest cost proposal or any other proposal will not necessarily be accepted.
 - iii. The Village reserves the right to waive or not waive any non-compliance, formalities, informalities, irregularities, or technicalities in proposal responses and may, at its sole discretion, elect to retain for consideration proposals which are non-conforming, which do not contain the content or form required by the tender or because they have not complied with the process for submission set out herein.
 - iv. The Village retains the right to contact any or all proposing firms after submittal in order to obtain supplemental information and or clarification in either oral or written form.
 - v. Any oral communication made is not binding on the tender process.
 - vi. The Village may, at its sole discretion, proceed with all of the components, none of the components, or through change order reduce the number of components of the work as described in the tender.
- d. The Village should provide reasonable notice and opportunity to respond to public tender calls.

- e. When public tenders are received, they must be date and time stamped.
- f. Public tenders need not be opened in public, but must be opened in the presence of at least two people, one of whom must be the department head or designee of the department making the purchase, or the Finance Officer or Clerk and Treasurer. The Finance Officer or designee must ensure that a record is kept of the proceedings at the opening, including the names of those present in attendance, the date and time received, and the amounts of the bids.
- g. The Finance Officer, department head, or the Clerk and Treasurer, as agreed between them, must review, and prepare an analysis and comparison of the tenders received and make a recommendation for award.
- h. As circumstances demand, the Clerk and Treasurer may form an evaluation committee to evaluate, review, and rank the proposals, interview suppliers if necessary, and recommend award to the Village Commission.
- i. It is customary to award the tender to the bidder of the lowest price meeting the specifications. However, the Village reserves the right to make an award for reasons deemed to be in its best interest. An award must not be made in any circumstances to a firm that did not submit a bid on a tender call.
- j. In the event that all bids exceed the budgeted amount or otherwise do not meet the criteria established by the Village, one of the following options will be followed:
 - i. Make an award to the lowest acceptable bidder based upon the amount of the budget overrun and the significance and priority of the purchase;
 - ii. Undertake negotiations in the scope of the work with the bidder submitting the lowest or otherwise preferred acceptable tender; or
 - iii. If the previous options are not acceptable, cancel the tender and do not purchase.
- k. The tender award notice is to be made by the Finance Officer, or in their absence, the Clerk and Treasurer. Along with a purchase order, a formal contract must be prepared for the total amount of the GS&C and executed by the Clerk and Treasurer and the successful proponent.

32. Receipt of GS&C

- a. Immediately upon the receipt of GS&C, the department head or designee shall ascertain that the delivery is acceptable as to the condition, quality, and conformity to the purchase order requirements.

- b. If the GS&C are accepted, the delivery slip shall be signed by the person authorized by the department head or designee, and such slip shall be provided to the Finance Officer for matching with the purchase order and invoice.
- c. If the GS&C are not acceptable and are rejected or returned, the delivery slip shall be delivered to the Finance Officer. The carrier is to be notified promptly of any damage. The vendor is to be notified promptly of unacceptable or non-compliant deliveries.
- d. With respect to construction work, where appropriate, a field verification on the detailed physical progress shall be supported by a summary of the items and values, duly approved by the department head or designee, which shall satisfy the payment support and requirements.
- e. The Finance Officer is required to review all invoices, vouchers, and claims for payment for GS&C purchased, and ensure that all documentation including purchase order, delivery/packing slip or receiving report is attached and that pricing is appropriate. The Finance Officer, with assistance from the department head if necessary, shall investigate any discrepancy between purchase order, GS&C received, and invoice. Significant discrepancies are to be immediately reported to the Clerk and Treasurer.

33. Payment for GS&C

- a. Payments are cancelled if goods are returned, and payments are held when credit notes are pending, until received.
- b. Reasonable effort must be made to take all available vendor discounts.
- c. The business name and business number of a supplier must be clearly displayed on all invoices and small suppliers that do not charge HST must denote that on the invoice.
- d. Invoices and cheque requisitions must be forwarded to the Finance Officer for payment properly authorized and accurately coded by the Clerk and Treasurer or designee.
- e. The Finance Officer is responsible to verify that all appropriate steps and approvals for the acquisition of and payment for GS&C were in place using appropriate verification procedures.

Appendix B – Alternative purchasing

34. An alternative purchasing process may be used in the circumstances described below:
- a. A situation of urgency or emergency where the GS&C required cannot reasonably be obtained by means of open procurement, including but not limited to a lack of supplies or services that will have a significant adverse effect on the functioning of the Village, threaten public or private property or the environment, or jeopardize the health or safety of employees, volunteers, elected officials, or the public;
 - b. A situation where tendering could reasonably be expected to compromise matters of a confidential or privileged nature, increase the likelihood or support of legal action or negative press coverage, cause economic disruption, or otherwise be contrary to the public interest;
 - c. Where standard procurement methods would interfere with the Village's ability to maintain security or order to protect the environment, human, animal, or plant life or health;
 - d. To ensure compatibility with existing products, to recognize exclusive rights such as exclusive licenses, copyright, and patent rights; or to maintain specialized products that must be maintained by the manufacturer or its representative;
 - e. In the absence of tenders in response to an open or selective process, or when the tenders submitted have been collusive or not in conformity with the essential requirements;
 - f. Where, for technical reasons, there is an absence of competition and the GS&C can be supplied only by a particular supplier and no alternative or substitute exists (otherwise known as sole source);
 - g. The procurement of GS&C for which there is a statutory monopoly that is controlled by a supplier;
 - h. The procurement of GS&C according to the provisions of a warranty or similar guarantee;
 - i. The procurement of GS&C under exceptionally advantageous circumstances, such as bankruptcy or receivership, but not for routine purchases;
 - j. The procurement of original works of art;
 - k. The procurement of real property;
 - l. The procurement of subscriptions to newspapers, magazines, or other periodicals;
 - m. The processes that foster the development of community spirit, tourism or business;
 - n. The procurement of goods intended for resale to the public;

- o. The procurement of GS&C from persons with disabilities, philanthropic institutions, or through employment equity programs;
 - p. Services of professionals, including lawyers and accountants;
 - q. Services of expert witnesses, specifically in anticipation of litigation or for the purpose of conducting litigation;
 - r. Procurement from another level of government, or a not-for-profit organization; and
 - s. Unsolicited proposals.
35. Except for emergency circumstances, the alternative procurement process for purchases greater than five thousand dollars (\$5,000) must adhere to the following process:
- a. The purchasing authority must submit their request in writing to the Clerk and Treasurer, explaining why they believe an alternative procurement purchase is necessary.
 - b. The Clerk and Treasurer will review and assess the merit of the request and, if satisfied that an alternative procurement process is necessary, the request and explanation will be submitted to the Village Commission for approval.
 - c. The Village Commission will review and assess the request, and notify the Clerk and Treasurer of the determination.
 - d. The documentation of the reasoning and decision for an alternative procurement process is to be matched with the purchase order and vendor invoice.

Policy Document Attestation

Date of Notice to Village Commission of Intent to Consider: 2020-09-08

Date of Passage of Policy: 2020-09-15

I certify that this Policy was adopted by Village Commission as documented above:

Renée Mee Jermuth

Chair

2020-10-05

Dated

Michael Bell, CPA, CA

Clerk and Treasurer

2020-09-18

Dated