

TOWN OF SAINT ANDREWS



Council Policy P18-02

Updated May 3, 2021

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DEFINITIONS

1. The following definitions apply to this policy:

- 1.1. "Budget" means the budget as approved by Council
- 1.2. "Chief Administrative Officer" (CAO means the Town Chief Administrative Officer appointed by the Council of the Town of Saint Andrews)
- 1.3. "Clerk" means the Clerk appointed by the Council of the Town of Saint Andrews
- 1.4. "Council" means the Mayor and Council
- 1.5. "Councillor" means a member of the Council other than the Mayor
- 1.6. "Deputy Mayor" means the Councillor elected as Deputy Mayor
- 1.7. "Mayor" means the Mayor of the Town of Saint Andrews duly elected to such post
- 1.8. "Assistant Treasurer" means the Assistant Treasurer appointed by the Council of the Town of Saint Andrews
- 1.9. "Member" means any person elected to Council
- 1.10. "Municipality" means the Town of Saint Andrews
- 1.11. "Town" means the Town of Saint Andrews
- 1.12. "Act" means the *Local Governance Act 2017.c.18*
- 1.13. "Procurement Act" means the *Procurement Act SNB 2012, c. 20*
- 1.14. "Procurement" means the process that normally leads to an agreement to purchase, rent, or lease goods and services
- 1.15. "Supplies" mean, in relation to procurement, raw materials, products, supplies, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form, unless they are procured as part of a general construction contract.
- 1.16. "Services" mean, in relation to procurement, all services including printing, garbage removal, snow removal, salt hauling, janitorial services, studies, utilities, consulting, professional services, etc., unless the services form part of a general construction contract.

1.17. "Construction" means a construction, reconstruction, demolition, repair or renovation of a building, structure, road or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included as an incidental to the construction, and the installation and repair of fixtures of a building, structure, road or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement.

1.18. "Unbudgeted" means expenditures that are not included in the budget and are unplanned at the time of the budget being passed.

BACKGROUND

2. Procurement is the process that leads to an agreement for the Town of Saint Andrews to purchase, rent or lease goods and services from a third party.
3. It is important in all dealings that the Town of Saint Andrews act and be seen as acting in a fair, transparent manner and that promotes an atmosphere of trust and confidence in the procurement process.
4. To avoid confusion, procurements by the Town of Saint Andrews should reflect industry wide procurement practices and be consistent with other procurement processes in the Province of New Brunswick.
5. Although efficiency in procurement is important, care must be taken prior to engaging in procurement activities to ensure that the procurement is aligned with Council objectives.

POLICY

6. The Town of Saint Andrews will adhere to the following legislation with its procurement practices:
 - 6.1 Province of NB *Procurement Act* and regulations
 - 6.2 *Crown Construction Contracts Act* and
 - 6.3 Canadian Free Trade Agreement
 - 6.4 Any other applicable legislation or agreement that may be enacted by the Province of New Brunswick or Canada.

All items below are pre-HST amounts.

DELEGATED AUTHORITIES

7.1 Budgeted Expenditures

The CAO is authorized to purchase goods, services and construction projects which have been specifically set out in the approved Operating and Capital budgets and where the amounts of the purchase is less than or equal to those set out in the budget.

	Supplies	Services	Construction/Capital
CAO	\$25,000	\$25,000	\$250,000
Operations Manager	\$5,000	\$5,000	0
Clerk	\$2,500	\$2,500	0
Department Heads	\$1,000	\$1,000	0
Other authorized Staff	\$200	\$200	0

7.2 Staff may authorize procurement of up to their delegated amounts provided that:

- 7.2.1 There is a clear estimate for the goods, and it is expected that the value will not exceed their authority;
- 7.2.2 The Provincial Procurement Act and regulations are strictly followed;
- 7.2.3 The amount of the procurement is within the approved budget amount for the year;
- 7.2.4 The procurement does not commit the Town to further procurements causing the total procurement to exceed the delegated authority for a specific project.

7.3 The following positions are considered "Department Heads" for the sake of this purchasing policy:

- 7.3.1 Public Works Supervisor
- 7.3.2 Arena Supervisor
- 7.3.3 Fire Department Chief
- 7.3.4 Water & Sewer Technician
- 7.3.5 Wharfinger
- 7.3.6 Ross Memorial Museum Manager
- 7.3.7 Ross Memorial Library Manager
- 7.3.8 Asset Manager
- 7.3.9 Assistant Treasurer

7.4 Each department head can only spend from their own budget, with the following noted exception:

7.4.1 Public Works Supervisor - can authorize expenditures for public works, parks and recreation, water and sewer main maintenance, youth centre repairs.

7.5 Unbudgeted Expenditures

For amounts not authorized in the budget, the CAO may authorize a purchase not more than \$10,000.

7.5.1 Emergency Purchases: True emergencies generally occur as a result of fire, flood, water breaks or equipment repairs. Notwithstanding the authorities outlined elsewhere in this policy, the Chief Administrative Officer/Clerk or Treasurer is authorized to make an emergency expenditure deemed necessary in order to maintain services within the Town, of up to \$25,000. Such expenditures must be reported to Council at a Special Meeting of Council and will also be reported on the monthly financial statements.

COUNCIL APPROVAL OF PROCUREMENT

8.1 For any procurement beyond the delegated authority of the CAO, a presentation to Council must be made prior to taking any procurement action outlining the following:

- 8.1.1 the name of the goods and service provider, if known;
- 8.1.2 a detailed description of the goods and services to be provided;
- 8.1.3 the estimated total cost of providing the goods and services and the source of the estimate;
- 8.1.4 the approved budget for the goods and services;
- 8.1.5 the dates the goods and services are to be provided;
- 8.1.6 the reason for the request; and
- 8.1.7 the method of procurement of the goods and services.

8.2 Purchases by a Council member must be made through the CAO and authorized by Council.

COMPETITIVE QUOTES

9.1 In order to ensure tax dollars are wisely spent, the following limits shall be followed for acquiring competitive bids;

	Goods	Services	Construction
2 Quotes	\$2,500-\$5,000	\$2,500-\$5,000	\$5,000-\$10,000
3 Quotes	\$5001-\$25,000	\$5001-\$25,000	\$10,000-\$100,000

9.2 Purchases which are described in section 10.5 are exempt from the above limits.

9.3 Quotes must be documented in writing via letter, fax or email. The Department Head, or designate, will prepare a request for quotation in writing to each identified vendor.

9.4 In the event that potential vendors refuse to return a quote in a reasonable time and the purchaser is unable to fulfil the requirements of 9.1, a record must be provided to the CAO of correspondence to potential bidders identifying who was contacted, what method and any response.

PUBLIC TENDERING

10.1 As prescribed by the *Procurement Act*, procurements in excess of the following amounts must be put out for tender;

- 10.1.1 Goods over \$25,000
- 10.1.2 Services over \$50,000
- 10.1.3 Construction Projects over \$100,000
- 10.1.4 At the direction of the CAO, staff or a consultant may prepare the tendering documentation, for approval by the CAO, or delegate.

10.2 Final tender documentation to be approved by the CAO or delegate. The following information, as applicable, should be on any request for quotation or proposal sent out:

- 10.2.1 The supply or service that quotes were requested on, along with minimum specifications and any other pertinent information;
- 10.2.2 To whom quotations or proposals are to be submitted;
- 10.2.3 Date and time quotations are required;
- 10.2.4 A statement that all prices should be quoted FOB Saint Andrews, net of taxes;
- 10.2.5 A statement to the effect that "The Town does not, by virtue of any proposal call, tender, or request for quotation or proposal,

commit to an award, nor does the Town limit itself to accepting the lowest price of any submitted, but reserves the right to award, or not to award, in any manner deemed to be in the Town's best interest.”;

- 10.2.6 Required delivery date;
- 10.2.7 Requirement for Proof of WorkSafe NB registration;
- 10.2.8 Requirement for Proof of Insurance as per tender documentation;
- 10.2.9 A place for the vendor's name., address, phone #, email, and signature;
- 10.2.10 A statement as to whether fax or phone quotes are acceptable;
- 10.2.11 A statement as to whether a quote can be accepted in whole or in part;
- 10.2.12 A statement as to whether substitute products will be considered;
- 10.2.13 Any other conditions or stipulations that may apply;
- 10.2.14 A request for a list of references.

10.3 All Procurement Tenders shall be advertised on the New Brunswick Opportunities Network (NBON), and MAY BE advertised in a local paper or posted to the Town's website.

10.4 The CAO will advise Council of any awards over \$50,000.

10.5 Exemptions from Tenders:

A detailed list of exemptions from tenders and competitive quotes is provided in Regulation 2014-93, Section 166. The exemption includes the following professional services:

- 10.5.1 Engineers
- 10.5.2 land surveyors
- 10.5.3 accountants
- 10.5.4 barristers and solicitors
- 10.5.5 medical practitioners
- 10.5.6 dentists
- 10.5.7 nurses
- 10.5.8 pharmacists
- 10.5.9 veterinarians, and
- 10.5.10 architects.

10.6 At the discretion of the CAO or by the direction of Council, any of the exempt services may go out for a competitive bidding process.

SMALL PURCHASE AUTHORITY

11.1 Under the authority of the CAO, the Town will issue identification cards to signify that staff members are able to purchase items under the following conditions:

- 11.1.1 A vendor with whom we have approved credit;
- 11.1.2 The staff member has authority from their department head to make the purchase;
- 11.1.3 The total value of that purchase is under \$200;
- 11.1.4 An invoice is supplied immediately from the vendor;
- 11.1.5 The purchaser provides the invoice to the department head for final approval.

PURCHASE ORDER

12.1 Purchase orders have four main purposes:

- 12.1.1 Inform Finance Department of purchases of a significant amount to assist with budget tracking and monthly accruals;
- 12.1.2 Inform CAO and Department Heads of purchases for invoice authorization;
- 12.1.3 Ensure quoted amounts at the time of order agree with amount invoiced; and
- 12.1.4 Provide documentation to vendors that purchases are authorized by the Town.

12.2 In order to be effective, purchase orders are to be provided to the Finance Department at the time of purchase or order.

12.2.1 All purchases should be authorized by purchase order except for the following listed below:

- 12.2.1.1 Phone bills, fuel, electricity, taxes, insurance, debenture payments, payroll remittance, service contracts covered by approved tender or a supply agreement;
- 12.2.1.2 Approved budgeted payments to external agencies;
- 12.2.1.3 Project payments covered by approval tender;
- 12.2.1.4 Engineering fees included in capital project budgets;
- 12.2.1.5 Budget amounts of less than \$200.00

12.2.2 All purchases of goods and services in excess of the thresholds shall have the signature of the employee's supervisor prior to the issuance of the purchase order.

12.2.3 Purchase order books will be maintained at the Town Hall and prepared by the Treasurer or his appointed designates.

12.2.4 The purchase order should contain the following information:

12.2.4.1 Name of Company

12.2.4.2 Date

12.2.4.3 Brief item description

12.2.4.4 Estimated cost before taxes or quotation amount

12.2.4.5 Name of employee making purchase (where applicable) and signature or personnel with appropriate spending authority.

INVOICE AUTHORIZATION AND PAYMENT

13.1 The Accounts Payable Clerk will match invoices to purchase orders and packing slips and forward them to the proper Department Head for approval for payment. Department Heads will ensure that goods or services have been received before authorization is provided. Department Heads, or designate, will return invoices to the Accounts Payable Clerk after they have signed the invoice as approval for payment as well as indicated the appropriate budget code it should be charged to.

Cheques or EFT reports, along with supporting documents, will be prepared by the Accounts Payable Clerk and submitted to the CAO for approval and signature on the Cheque Register; and then submitted for signature. Designated signing authorities include the Mayor or Deputy Mayor, AND Treasurer or CAO.

13.2 Authorized purchasers shall notify the Treasurer of a designated purchasing authority in their absence.

13.3 The CAO and Treasurer have authority to authorize all invoices in the absence of a Department Head.

13.4 Invoices related to section 12.2.1.1 can be processed by the finance department without further approval except those with a deviation of more than 5%.

13.5 All payments are to be authorized by the Mayor OR Deputy-Mayor AND Treasurer OR Assistant Treasurer

13.6 A cheque register must be signed by the CAO before release of payments.

VISA CARD PROCEDURES

- 14.1 Use of the corporate VISA card is subject to the same spending authorizations provided in this policy. The corporate VISA is intended for the following purposes:
 - 14.1.1 Travel arrangements
 - 14.1.2 On-line purchases
 - 14.1.3 Payment of invoices in US funds
 - 14.1.4 Payments for course registrations when VISA is accepted; and
 - 14.1.5 Other items as ordered by the CAO (and within their authority)
- 14.2 Staff are responsible for obtaining the appropriate approval before using the card. All the authorities contained here within also apply to the VISA card purchases.
- 14.3 Purchasers are responsible for ensuring credit slips are maintained and submitted to the Finance Department for reconciliation to the appropriate monthly statement. Please note, the slip turned in must be the original invoice, not the credit card slip.
- 14.4 When the VISA statement is received, the Finance Department reconciles to the VISA log and reviews with Department Heads as necessary and is approved by the CAO and Mayor for final authorization.

FUEL CARDS

- 15.1 Fuel cards are provided for the use in Town vehicles. Their use is restricted to the provision of fuel only. The vehicle operator is responsible for ensuring credit slips are maintained and submitted to the Finance Department for reconciliation to the appropriate monthly statement.

PETTY CASH

- 16.1 Petty cash should be used for small incidental items required on short notice. Items from suppliers where the Town has a credit facility or larger value should follow the normal procurement process and/or utilize the credit card.
- 16.2 All amounts are to be supported by appropriate documentation.
- 16.3 Petty cash is to be balanced as required but not less than once a month.

SIGNATURES

Given under Corporate Seal of the Town of Saint Andrews, this policy becomes effective this 3rd of May 2021.



Doug Naish
Mayor



Chris Spear,
Chief Administrative Officer