Policy Type: Operational **Policy Number: OP-06**

Policy Title: Purchasing **Initial Approval Date: April 2013**
Last Review/Revision Date: 2021
Review Date: 2025

The Township of Madawaska Valley Public Library Board (the Board) provides financial oversight and governance on the day-to-day operations of the Madawaska Valley Public Library (the Library). One of the Board's key responsibilities is financial accountability to ensure that public funds entrusted to the Library are handled in a transparent manner, and that due diligence is given to all financial transactions. This policy provides direction for the purchasing of goods and services relevant to the operations of the the Library, and the setting of approval and authority levels for sign-off on financial transactions.

Prices and authority levels as stated in this policy do not include tax amounts.

Section 1: Definitions

For the purpose of this policy, the following definitions will be in place:

a) **Bid** - a specific price for specific goods and services.
b) The Board Oversight- delegates the day-to-day financial responsibility to the Chief Executive Officer (the CEO) as per the approved levels noted herein.
c) Emergency – any situation or lack of facility readiness that could cause irreparable harm to the assets of the Library or impact adversely on the day-to-day operations of the Library.
d) Expression of Interest – a call by the Board or the Library to suppliers to express interest for the provision of alternate options which cannot be fully defined or specified at the time of the request, and shall include developmental proposals.
e) Goods and services – all supplies, materials, equipment, general maintenance and service contracts, and the procurement of professional services.
f) Request for Proposal – a request for prices on specific goods and/or services less than $5,000, as deemed appropriate by the Board.
g) Invitational tender – a formal request for details on the supply of goods or services, greater in value than $5,000 and less than $15,000. Efforts will be made to attract or secure two or more written tenders and such tenders will be opened in public at a regularly scheduled Board meeting, unless otherwise deemed necessary. Estimated value of works in excess of $15,000 shall be dealt with as a "public tender".
h) Public tender – a publicly advertised solicitation of bids opened in public at a regularly scheduled Board meeting unless otherwise deemed necessary. A public tender must be called for goods or services at a value of $15,001 or greater and may be used for values less than $15,000 when deemed appropriate by the Board.
i) Single source – there may be more than one source in the open market but for reasons of function, service or expediency only one vendor is recommended for consideration of the particular goods and/or services.

j) Sole source – only one known source of supply of particular goods and/or services.

Establishing Price Range

Purchase prices shall be obtained as per these guidelines:

1. **Up to $1,500 –** For any purchase that the amount is estimated to be $1,500 or less, the CEO will make a reasonable attempt to obtain prices from more than one supplier, or the CEO may purchase directly from catalogues, suppliers' lists or through negotiations, upon assurance that all prices offered are fair and equitable. Prices (verbal and/or written) should be documented for reference purposes, where feasible.
2. **$1,501 to $4,999** – For all purchases that are estimated in this price range, a Request for Proposal shall be issued by the CEO to two or more qualified suppliers, where feasible. If the need arises, and upon consultation with the Board, a Public Tender may also be requested.
3. **Over $5,000 –** by Invitational Tender or by advertised Public Tender, whichever is feasible, with prior approval of the Board.

Approval Levels

1. Formal approval of the annual library budget constitutes financial approval to proceed with purchases subject to any scheduling or priority considerations as may be deemed necessary by the Board and as outlined by the Purchasing Policy.
2. Prior to the approval by the Township of Madawaska Valley Council for the library's annual budget allocation, the CEO will work with interim funding appropriation for routine operating and recurring expenditures or statutory purposes unless otherwise directed by the Board.
3. Approval levels for non-approved budget purchases:
   a) Up to $1,500 – CEO
   b) $1,501 to $4,999 – CEO in consultation with the Board
   c) Over $5,000 – The Board
4. In emergency situations, the Chairman or the Deputy Chairman will consult with Board members via telephone or e-mail to gain consensus for approval levels 3.b and 3.c.

Inventory

1. The CEO may establish inventories as an efficient method of managing the delivery of goods.
2. Minimum and maximum levels shall be established where possible.

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Code of Ethics

In matters of purchasing, the CEO, library staff and the Board will adhere to the Ontario Public Buyers Association's Code of Ethics, which is based on the following tenets:

1. Open and honest dealing with everyone who is involved in the purchasing process. This includes all businesses with which the Library and/or the Board contracts or from which it purchases goods and services.
2. Fair and impartial award recommendations for all contracts and tenders. No preferential treatment to any vendor, including local companies, will be offered, as it limits fair and open competition for all vendors and is considered a detriment to obtaining the best possible value for each tax dollar.
3. An irreproachable standard of personal integrity. Anyone associated with the purchasing process on behalf of the Library and/or the Board, will not publicly endorse any company in order to give that company an advantage over others.
4. Cooperates with other public agencies and libraries in order to obtain the best possible value for every tax dollar.
5. Continuous development of purchasing excellence.

Related Documents:

By-law Number 2012-70: Being a Purchasing Policies and Procedures By-law for The Corporation of the Township of Madawaska Valley