

ROTHESAY

Policy

Topic: Purchasing Policy	Date Prepared	Sept. 1/09
Application: All Personnel	Date Adopted	Sept 14/09
	Date Amended by Council	Oct/2014
	Mayor & Council	<i>W.B.</i>
	<i>ACTING</i> Town Manager	<i>B.W.</i>

A. GENERAL:

As required by legislation, the Town follows the Procurement Act (the "Act") and related regulations and agreements, which state that municipalities shall issue a public tender for purchases over the following thresholds:

- Goods over \$25,000
- Services over \$50,000
- Construction Projects over \$100,000

There are certain exemptions to this rule including professional services and sole source of supply.

B. SPENDING AUTHORIZATION:

i) Budgeted Expenditures:

For amounts less than those prescribed by the Act the Town Manager is authorized to purchase goods and services which have been specifically **set out in operating or capital budgets** and where the amount of the purchase is less than or equal to the amount set out in the budget. Competitive purchasing practices will be used where not obtained during budget preparation.

Where an expenditure is included in a budget envelope but the specific goods or services composing the amount are not specifically identified in the budget, the Town Manager may purchase same in the following manner:

- a) goods greater than \$2,500 by competitive quote from at least two independent suppliers, and preferably three or more;
- b) services of greater than \$5,000 by competitive quote from at least two independent contractors, and preferably three or more;
- c) construction projects involving goods and services greater than \$25,000 by competitive quote; and
- d) lesser amounts through regular trade accounts.

Expenditures may not be artificially broken up to avoid competitive purchasing practices.

Request for proposals (RFPs) shall be issued for professional services when the anticipated fees for a project are greater than \$50,000:

ii) Unbudgeted Expenditures:

For amounts not included in the budget the Town Manager or Mayor may authorize a purchase of not more than \$5,000.

iii) Emergency Purchases:

Emergencies which pose a threat to public safety resulting from fire, flood, water main breaks, storms, environmental emergencies, or equipment failure may require emergency expenditures not included in the approved budget or greater than the allocated amount notwithstanding the authorities outlined elsewhere in this policy. Department Heads are authorized to make emergency expenditures necessary to maintain Town services. Department Heads will ensure that the Town Manager is kept advised of emergency expenditures. These emergency expenditures shall be reported to Council at the next regular meeting after the expenditures are known.

iv) Delegation

The Town Manager may delegate authority, in writing, to Department Heads, who may then delegate, in writing, to an appropriate staff member, to approve expenditures. Expenditures are to be documented by providing a purchase order signed by the designated person.

C. REPORTS TO COUNCIL

v) Monthly Financial Reports

Monthly financial statements will be provided to Council. Monthly financial statements will include a variance analysis and a detailed listing of project budgets and expenditures to date. Council shall also be advised of any re-allocation of budget amounts between the main classifications of the monthly financial statements.

Tenders

Expenditures for which the Town has issued a tender shall be approved by Council.

D. FINANCIAL ANALYSIS

Staff recommendations shall include financial implications to the taxpayers or utility users of any recommendations, as well as a description of any variance/exception from normal procedures, practices and legislation.

In accordance with the *Municipalities Act*, the Treasurer shall provide to Council, in writing or electronic form, the financial implications (including capital cost, source of financing, projected effect on property tax and/or utility rates, and operating estimates over the first 24 months, if applicable) of recommendations to Council involving major projects having a total budget greater than \$250,000.