

**BY-LAW NO. 06-175
OF THE
CORPORATION OF THE CITY OF PETERBOROUGH**

Being a by-law governing purchasing policies.

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**BY-LAW NO. 06-175
OF THE
CORPORATION OF THE CITY OF PETERBOROUGH**

Being a by-law governing purchasing policies.

WHEREAS the Council of the Corporation of the City of Peterborough deems it desirable to provide for fair, transparent and accountable purchasing policies.

AND WHEREAS **The Municipal Act, 2001**, s. 271 states that a municipality and a local board shall adopt policies with respect to its procurement of goods and services, including policies with respect to:

- (a) The types of procurement processes that shall be used;
- (b) The goals to be achieved by using each type of procurement process;
- (c) The circumstances under which each type of procurement process shall be used;
- (d) The circumstances under which a tendering process is not required;
- (e) The circumstances under which in-house bids will be encouraged as part of a tendering process;
- (f) How the integrity of each procurement process will be maintained;
- (g) How the interests of the municipality or local board, as the case may be, the public and persons participating in a procurement process will be protected;
- (h) How and when the procurement processes will be reviewed to evaluate their effectiveness; and
- (i) Any other prescribed matter.

THEREFORE, THE CORPORATION OF THE CITY OF PETERBOROUGH BY THE COUNCIL THEREOF HEREBY ENACTS AS FOLLOWS:

PART 1 - PURPOSES, GOALS AND OBJECTIVES

1. The purpose of Part 1 of this By-law is to set out the purposes, goals and objectives of the City's Purchasing By-law as follows:
 - (1) To ensure openness, accountability and transparency while protecting the financial best interests of the City of Peterborough;
 - (2) To maximize savings for taxpayers;
 - (3) To ensure service and product delivery, quality, efficiency and effectiveness;
 - (4) To encourage competitive bidding for the acquisition and disposal of goods and services where practicable;
 - (5) To ensure fairness among bidders;
 - (6) To encourage the procurement of goods and services with due regard to the preservation of the natural environment;
 - (7) To provide City staff that have purchasing responsibilities clear direction on policy to be followed.

PART 2 – DEFINITIONS

2. The purpose of Part 2 of this By-law is to set out the meaning of words and phrases used in this By-law, as follows:

“Administrative Staff Committee” means a committee comprised of the City Administrator and the Directors of the City Departments, which has authority to award competitive bids up to certain limits as set out in this By-law.

“Agreement” means a binding contract between the City and one or more other parties, which has been duly authorized and executed in accordance with this By-law.

“Alternate Work Force Roster” means a list of retired persons who have either worked for the City of Peterborough, other municipalities or in related fields, who are interested in and capable of, undertaking short-term assignments for the City on an as-required basis and as approved by the City Administrator.

“Approval authority” means the specific authorization to proceed with procurement.

“Award” means the acceptance of a Bid Solicitation, in accordance with this By-law.

“Bid” means an offer or submission from a bidder in response to a Bid Solicitation, which is subject to acceptance or rejection.

“Bidder” means the person who responds to a Bid Solicitation and includes their heirs, successors and permitted assigns.

“Bid Deposit” means currencies, certified cheques, bank draft, bond surety issued by a surety company or other form of negotiable instrument to ensure the successful bidder will enter into an Agreement.

“Bid Solicitation” means a formal competitive procurement process which is either a Request for Proposals, a Request for Formal Quotations or a Request for Tenders.

“Blanket Order” means an agreement to facilitate the supply of repetitive use goods or services for a specified term.

“Chief Administrative Officer” or “CAO” means the City Administrator and includes other employees that may be designated to act in this capacity.

“City” means The Corporation of the City of Peterborough.

“Clerk” means the City Clerk, or Deputy Clerk as appointed from time to time by City Council.

“Coat-tailing” means a prohibited practice where an employee negotiates with a supplier, or accepts an offer from a supplier, to purchase a good or service for personal use at the same price that is being offered by the supplier to the City.

“Cooperative Purchasing” means coordination of City purchases with purchases from other not-for-profit organizations such as other municipalities, utility companies, school boards, hospitals, and universities.

“Council” means the Council of the City of Peterborough duly elected.

“Cost” means the actual price of acquisition, including term discounts and freight charges, and excluding applicable taxes.

“Director” means the head of a Department within the Corporation of the City of Peterborough.

“Director of Finance and Administrative Services” means the Treasurer of the City of Peterborough, who is charged with the responsibility of directing the affairs of the Finance and Administrative Services Department.

“Designate” means the authorized designate of someone identified in this by-law who has specific approval or signing authority. Authorization to become a designate is effective only when made in writing by the person delegating the authority and must be approved by the Director of Finance and Administrative Services or the City Administrator.

“Disposal” means an act through which the City gives up title to Real or Personal Property, and includes a sale, a gift, or the discarding of an item.

“Emergency” means a situation, or the threat of an impending situation, which may affect the environment, the life, safety, health, welfare and/or property of the general public, and which requires actions to be taken to prevent serious damage, disruption of work, or to restore or maintain essential service to a minimum level. It includes a situation where, under the Emergency Management Act and the City’s Emergency Plan By-law 05-240, the Mayor has declared that a state of emergency exists in the City or in any part thereof, and may take such action and make such orders as he or she considers necessary and are not contrary to law to implement the emergency plan of the municipality and to protect property and the health, safety and welfare of the inhabitants of the emergency area.

“Evaluation Criteria” means the criteria to be used in a Request for Proposals to determine which Proposal best meets the City’s needs, and which may include, but are not limited to: company background, project team and manager, related experience, availability for duration of works, comprehension, understanding and approach, planning and resources required, innovation, schedule of fees, quality service, compatibility, product reliability, operating efficiency and other factors deemed appropriate for the project.

“Evaluation Committee” means a committee of staff established to evaluate the Proposal submissions according to the Evaluation Criteria, and is comprised of staff from the originating department and, where practical, at least one member from another department and, at the discretion of the Director of Finance & Administrative Services, may include the Purchasing Co-ordinator.

“Goods and/or Services” means any one or more of supplies, personal property, construction materials, construction services, insurance, employee benefits, construction, and maintenance and service contracts.

“In-House Bidding” means a process whereby internal staff compete with external entities for procurement opportunities.

“Manager” means the Manager of a Division within the City of Peterborough.

“Mayor” means the duly elected Mayor of the City of Peterborough or the person appointed by Council to act in the Mayor’s stead.

“Procurement” means the obtaining Goods and/or Services for use, whether on a permanent or on a temporary basis.

“Proposal” means an offer received from a supplier for the supply of Goods and/or Services, in response to a Request for Proposals, acceptance of which may be subject to further negotiation.

“Purchase Order” means a written offer to procure goods and/or services or a written acceptance of an offer.

“Purchase Requisition” means an internal written or online request for procuring goods and/or services.

“Purchasing Card” means a credit card that may be used by authorized employees of the City to purchase goods and/or services within limits as set out in this By-law.

“Purchasing Card Administrator” means the Manager of the Financial Reporting and Accounting Services Division, or designate, responsible for the administration of the Purchasing Card program.

“Purchasing Section” means the administrative unit within the City’s Financial Reporting and Accounting Services Division that is responsible for administering the City’s purchasing policies.

“Quotation” means an offer received from a selected supplier for the supply of specific goods and/or services, in response to a Request for Formal Quotations

“Responsive and Responsible Bidder” means a bidder who complies with the provisions of a Bid Solicitation, including specifications, and contractual terms and conditions, and who can reasonably be expected to provide satisfactory performance on the proposed agreement based on

reputation, references, performance on previous agreements, and sufficiency of financial and other resources.

“Request for Proposals” means a form of Bid Solicitation whereby the City invites potential suppliers to submit proposals with respect to a particular project, or the supply of Goods and/or Services, without supplying detailed specifications and/or terms and/or conditions of the agreement that might ultimately be entered into and the cost is expected to be greater than \$25,000.

“Request for Formal Quotations” means a form of Bid Solicitation whereby the City publishes the specifications, terms, conditions and any and all details concerning the proposed agreement, and invites selected suppliers to submit sealed Bids in accordance with detailed published procedures, and the cost is expected to be greater than \$25,000 and less than or equal to \$50,000

“Request for Tenders” means a form of Bid Solicitation whereby the City publishes the specifications, terms, conditions and any and all details concerning the proposed agreement, and advertises for, or invites suppliers to submit sealed Bids in accordance with detailed published procedures, and the cost is expected to be greater than \$25,000.

“Single Source” means a situation where there is more than one potential suppliers, but, for specific reasons, a supplier is selected without a Bid Solicitation.

“Sole Source” means a situation where there is only one known supplier of particular goods and/or services.

“Splitting up of Purchases” means the separation of a procurement into two or more invoices, with the effect of circumventing the provisions of this By-law.

“Supplier” means a person or company from whom the City may purchase goods and/or services, and includes a vendor or a lessor.

“Surety” means a specified dollar amount in the form of cash, certified cheque, bid bond, performance bond, labour and materials payment bond, letter of credit or any other form as deemed necessary and stated in the instructions to Bidders.

“Tender” means an offer received from a supplier for the supply of goods and/or services, in response to a Request for Tenders, the acceptance of which will result in the formation of an agreement.

PART 3 - PURCHASING PRINCIPLES

3. The purpose of Part 3 of this By-law is to set out the purchasing principles of the City of Peterborough, as follows:
 - (1) **Efficient/Effective Purchasing:**
All Procurement shall be completed to obtain the required quality and quantity of Goods and/or Services in the most efficient and cost-effective manner possible in the circumstances.
 - (2) **In-House Bids:**
In-house bids may compete with external sources, in certain circumstances as outlined in this By-law.

- (3) **De-centralized Purchasing:**
The City uses a de-centralized purchasing methodology whereby the Purchasing Section staff provide oversight to the procurement process, but with the exception of goods purchased and distributed through Central Stores, City departments are delegated the authority to procure low value goods and services through informal procurement methods in accordance with this By-law.
- (4) **Total Costs Considered:**
The City will consider all costs, including, but not limited to, acquisition, operating, training, maintenance, quality, warranty, payment terms, disposal value and disposal costs in evaluating bid submissions from, responsive and responsible bidders. Where costs are submitted for more than one year, the net present value of the annual costs will be used to evaluate the costs.
- (5) **Before tax amounts:**
Prices and authority levels stated in this by-law do not include any applicable taxes.
- (6) **Co-operative Purchasing:**
Where the best interests of the City will be served, the City may participate in Co-operative Purchasing.
- (7) **External approvals:**
Where a procurement requires further approvals external to the City, the report recommending award shall so indicate and such external approvals shall be obtained prior to the agreement being executed and proceeding with the proposed procurement.
- (8) **Document Retention:**
Responses to Bid Solicitations received shall be retained for inspection by the City's auditors and appropriate City officials, in accordance with the City's document retention By-law # 91-55.
- (9) **Confidentiality and Access to Information:**
- (i) The disclosure of information contained in Bid Solicitations or Bids, or the award of agreements emanating from Bid Solicitations, shall be made by the appropriate officers of the City in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, as amended.
 - (ii) All records and information contained in Bid Solicitations or Bids, which reveal a trade or scientific secret, unit prices, technical, commercial, financial or other labour relations information, supplied in confidence implicitly or explicitly, shall remain confidential if the disclosure could reasonably be expected to:
 - (a) Prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organizations;
 - (b) Result in similar information no longer being supplied to the City of Peterborough where it is in the public interest that similar information continues to be so supplied;

- (c) Result in undue loss or gain to any person, group, committee or financial institution or agency; or
- (d) Result in information whose disclosure could reasonably be expected to be injurious to the financial and/or security interests of the City of Peterborough.

PART 4 - DEFINING THE RESPONSIBILITIES OF PROCURING GOODS & SERVICES

4. The purpose of Part 4 of this By-law is to define the general role and responsibility of staff involved with procurement, and specifically the roles of the Director of Finance and Administrative Services and Department Directors when administering this By-law.

5. General Responsibilities

- (1) All City staff with procurement authority shall follow the guidelines set out in Part 11 of this by-law.
- (2) Procurement shall be subject to all applicable City policies and by-laws, any specific provisions of the Municipal Act, 2001, and all other relevant Federal and Provincial legislation.

6. Responsibilities of the Director of Finance and Administrative Services

- (1) The Director of Finance and Administrative Services shall coordinate a purchasing methodology on behalf of the City in accordance with the provisions of this By-law. In carrying out this responsibility, the Director of Finance and Administrative Services may appoint designated officials to act on his/her behalf.
- (2) The Director of Finance and Administrative Services or designate(s) will have the following specific responsibilities:
 - (i) Be responsible for the administration of this By-law, including the development and implementation of guidelines and procedures.
 - (ii) Be responsible for all Bid Solicitations (excluding Utility Services major Construction tenders); prepare, in consultation with the originating department's staff, the document, advertise, issue the document, prepare and circulate addendums, post the document on the City's website, oversee public openings and ensure the purchasing policies as set out in this By-law are followed.
 - (iii) For Utility Services major construction tenders that have been prepared by Director of Utility Services, advertise, issue the document, prepare and circulate addendums, oversee public openings and ensure the purchasing policies as set out in this By-law are followed.
 - (iv) Advise on the suitability of specifications to ensure a maximum number of competitive bids, and to ensure a supplier's ability to supply.
 - (v) Review the corporate use of goods and/or services to ensure the City is receiving the best quality, quantity, service and price.

- (vi) Ensure that business transactions are conducted ethically and professionally.
- (vii) Process Purchase Orders.
- (viii) Be responsible for establishing and maintaining a Central Stores operation for the provision of items that must be readily available, and:
 - a) Require a long lead-time for ordering, or
 - b) Are required for repair of vehicles or equipment on a 24-hour basis, or
 - c) Are bulk items for which economies are realized by purchasing in large quantities.
- (ix) Assist the originating department and the City Solicitor in the preparation of agreements when requested.
- (x) Provide training and documentation on how to use the Purchasing Computer Module to users of the system. Supply copies of the policies and procedures to all staff that have procurement authority and train staff as required to ensure a clear understanding of the purchasing policies and procedures.
- (xi) Maintain accounting records as required.
- (xii) Process monthly Purchasing Card payments.
- (xiii) Provide written authorization of designates as requested by Department Directors.

7. Responsibilities of Department Director

- (1) Department Directors shall have the following responsibilities relating to the procurement policies:
 - (i) Ensure procurement is carried out in accordance with this By-law.
 - (ii) Determine appropriate delegated signing authority of staff in their departments as authorized by this By-law.
 - (iii) Ensure sufficient approved budget exists for planned purchases before a procurement process commences.
 - (iv) Prepare, in consultation with the Director of Finance and Administrative Services, specifications and scope of work to be included in all Bid Solicitations.
 - (v) Ensure that all Bid Solicitation documents originating from their departments have been prepared in conjunction with, reviewed by, issued by and administered by the Director of Finance and Administrative Services as set out in Section 6 (2) (ii), unless Section 8 applies.
 - (vi) Prepare award reports, where required, in a format in accordance with approved City formats and satisfactory in content to the Director of Finance & Administrative Services.

8. Additional Responsibility of the Director of Utility Services

The Director of Utility Services (or designate) shall prepare Bid Solicitations for Utility Services Major Construction Works in a form satisfactory to the Director of Finance and Administrative Services.

PART 5 - PROHIBITIONS

9. The purpose of Part 5 of this By-law is to set out a number of actions by City staff and Council members, which are expressly prohibited.

10. Prohibited actions

The following actions are prohibited:

- (1) The splitting up of purchases.
- (2) Procurement by the City of any goods or services for personal use by or on behalf of any member of Council, appointed officer, employee of the City or their immediate families, unless specifically approved by Council, including, without limiting the foregoing, the Employee Computer Purchase Plans.
- (3) Acceptance of gifts, benefits, money, favours or other assistance from any supplier.
- (4) Coat-tailing.
- (5) Asking a supplier to alter the invoice date or shipping date from what would otherwise be shown to accommodate City accounting needs.
- (6) Other than the employee who is the official contact person identified in the Bid Solicitation document, discussing any aspect of the Bid Solicitation with a prospective supplier from the time the Bid Solicitation document is first issued until such time as an award report has been prepared and submitted to the appropriate approval authority.

PART 6 – TYPES OF PROCUREMENT PROCESSES

11. The purpose of Part 6 of this By-law is to set out the different types of procurement processes that may be used, including the goal, circumstances in which the process to be used, the contractual arrangement, and the features of each.

12. Low Value Procurement - Dollar Threshold: up to \$5,000

(1) Goal of Low Value Procurement Process

The goal of the Low Value Procurement Process is to use an expeditious and cost effective manner to purchase goods and services valued at \$5,000 or less, which may, but does not necessarily, include informal price comparison through phone, supplier advertisements, supplier catalogues or other similar communication methods.

(2) Circumstances when Low Value Procurement Process used

The Low Value Procurement Process is used when goods or services are expected to cost \$5,000 or less, are required on a one time (non-repetitive) basis, and the end user of the goods and services has identified

a clear or single solution. Price comparison may be sought from known suppliers; price is the primary factor and is usually not negotiated.

(3) Contractual Arrangement for Low Value Procurement Process

Low Value Procurement may be made by the Purchasing Card or Direct Acquisition method.

(i) Purchasing Card

Based on the approval of the Department Director or Manager and the Purchasing Card Administrator, certain City employees are provided with City Purchasing Cards to be used solely for the purchase of goods and/or services for the City. The employee's immediate supervisor shall review and sign each employee's monthly Purchasing Card transaction listing, and the Purchasing Card Administrator or designate shall review all monthly transactions for compliance.

(ii) Direct Acquisition

Although the encouraged method of payment for all low value procurement is the Purchasing Card, it is recognized that certain suppliers are not equipped with such functionality. Employees with appropriate authority as set out in this By-law may sign an invoice indicating that the goods have been received and the supplier may be paid.

13. Informal Procurement Through Quotation - Dollar Threshold: greater than \$5,000 and less than or equal to \$25,000

(1) Goal of Informal Procurement Through Quotation Process

The goal of the Informal Procurement Through Quotation Process is to obtain competitive pricing for a one-time procurement valued at greater than \$5,000 and less than or equal to \$25,000, in an expeditious and cost effective manner.

(2) Circumstances when Informal Procurement Through Quotation Process used

The Informal Procurement through Quotation Process issued when goods or services are expected to cost more than \$5,000 but less than or equal to \$25,000, are required on a one-time (non-repetitive) basis, and the end user of the good or service has identified a clear or single solution. Price comparison shall be sought, where practicable, from a minimum of three (3) suppliers. Price is the primary factor and may be negotiated.

(3) Features of Informal Procurement Through Quotation Process

- (i) The requesting department shall obtain three informal quotes, where practicable, through advertisements, supplier catalogues, direct solicitations to suppliers, and other similar methods. Faxed and email responses from suppliers are acceptable.
- (ii) A Purchase Requisition authorized by the Director or designate (less than \$25,000) or Division Manager or designate (less than \$10,000) shall be prepared, with the results of price comparison attached, and forwarded to the Purchasing Section for processing.

(4) Contractual Arrangement for Informal Procurement Through Quotation Process

Form of contract is a Purchase Order, Blanket Order or an Agreement.

14. Bid Solicitation Procurement - Dollar Threshold Greater than \$25,000

All procurement shall be carried out through Bid Solicitation, where the value of the goods and/or services is expected to exceed \$25,000.

15. Request For Proposals

(1) Goal of Request For Proposals Process

The goal of a Request for Proposals process is to implement an effective, objective, fair, open, transparent, accountable and efficient process for obtaining unique proposals designed to meet broad outcomes to a complex problem or need for which there is no clear or single solution, where the value is expected to exceed \$25,000.

(2) Circumstances when Request For Proposals used

A Request for Proposals is used when the goods and/or services are expected to cost more than \$25,000, the end user of the good or service does not have a precisely defined technical requirement, and where there is no clear or single solution

(3) Features of Request For Proposals

The features of a Request for Proposals are as follows:

- (i) It is a sealed Bid Process.
- (ii) If a bid deposit is required, it must be included in a separate sealed envelope so that it can be opened first. If the bid deposit is not in separate sealed envelope, the balance of the submission will be returned unopened.
- (iii) There is a Public Opening to read out the names of Proponents (Proposal details are not released).
- (iv) May be preceded by a Request for Pre-Qualification, Request for Information or Request for Expressions of Interest.
- (v) Advertisement placed in relevant media as applicable.
- (vi) Where possible, the proposal document is posted on the City's web page and is available for download.
- (vii) Negotiation with Proponents after submission and before award is acceptable.
- (viii) The Request for Proposals process is designed to select the proposal that earns the highest score in accordance with the Evaluation Criteria.
- (ix) The Evaluation Criteria are clearly identified in the Request for Proposals Document. As price is only one of the criteria evaluated, the award report will show the rating summary for each proponent and the total points. The award report will disclose the price of the recommended supplier but not the price submitted by other proponents.
- (x) An Evaluation Committee shall evaluate each proposal.

(4) Contractual Arrangement for Request For Proposals

Form of contract is a Purchase Order, Blanket Order or Agreement.

16. Request For Tenders

(1) Goal of Request For Tenders Process

The goal of a Request For Tenders process is to implement an effective, objective, fair, open, transparent, accountable and efficient process for obtaining competitive Bids based on precisely defined requirements for which a clear or single solution exists and where the value is expected to exceed \$25,000.

(2) Circumstances when Request For Tenders used

A Request For Tenders process is used when goods or services are expected to cost more than \$25,000 and it is possible to obtain competitive Bids based on precisely defined requirements for which a clear or single solution exists.

(3) Features of Request For Tenders

- (i) It is a sealed Bid Process.
- (ii) A bid deposit is required, and it must be included in a separate sealed envelope so that it can be opened first. If the bid deposit is not in separate sealed envelope, the balance of the submission will be returned unopened.
- (iii) Bid deposit must be at least 10% of bid price before taxes
- (iv) Some form of surety may be requested to be provided by successful bidder.
- (v) May be preceded by a Request for Pre-Qualification, Request for Information or Request for Expressions of Interest.
- (vi) Advertisement placed in relevant media as applicable.
- (vii) Where possible, the tender document is posted on the City's web page and is available for download.
- (viii) There is a Public Opening to read out the names of the Bidders and the total prices offered, excluding applicable taxes.
- (ix) The tender is typically awarded to the lowest priced Bidder who satisfies all specifications/requirements included in the Tender document.

(4) Contractual Arrangement for Request For Tenders

Form of contract is a Purchase Order, Blanket Order or Agreement.

17. Request For Formal Quotations

(1) Goal of Request For Formal Quotations Process

The goal of a Request For Formal Quotations process is to implement an effective objective, fair, open, transparent, accountable and efficient process for obtaining competitive Bids from a predetermined list of suppliers based on precisely defined requirements for which a clear or single solution exists and where the value is expected to exceed \$25,000 and be less than or equal to \$50,000.

(2) Circumstances when Request For Formal Quotations used

- (i) A Request For Formal Quotations process may be used when the cost is expected to exceed \$25,000 and be less than or equal to \$50,000 and it is possible to obtain competitive Bids based on precisely defined requirements for which a clear or single solution exists.
- (ii) There may be requirements estimated at \$50,000 or less where, at the discretion of the Director of Finance and Administrative Services and the respective Department Director, it will be more appropriate to solicit bids using a Request for Tenders or a Request for Proposals.

(3) Features of Request For Formal Quotations

- (i) It is a sealed Bid Process.
- (ii) A bid deposit is required, and it must be included in a separate sealed envelope so that it can be opened first. If the bid deposit is not in separate sealed envelope, the balance of the submission will be returned unopened.
- (iii) Bid deposit must be at least 10% of bid price before taxes.
- (iv) Some form of surety may be requested to be provided by successful bidder.
- (v) May be preceded by a Request for Pre-Qualifications, Request for Information or Request for Expressions of Interest.
- (vi) The document is sent to at least three suppliers, where practicable, from a predetermined list but may be supplemented by advertisement placed on City's Internet website and relevant media as applicable.
- (vii) There is a Public Opening to read out the names of the Bidders and the total price excluding applicable taxes.
- (viii) The Request for Formal Quotations is typically awarded to the lowest priced Bidder who satisfies all specifications/requirements included in the Quotation document

(4) Contractual Arrangement Formal Request For Quotations

Form of contract is a Purchase Order, Blanket Order or Agreement.

18. Pre-Qualification Of Acceptable Bidders

- (1) The provisions of this section shall apply in situations where it is deemed by the Director of Finance and Administrative Services, in consultation with the originating department Director, to be necessary to pre-qualify bidders prior to the commencement of the competitive Sealed Bid process.
- (2) The purpose of the pre-qualification is to ensure that each bidder can demonstrate they have the ability to provide the necessary expertise and resources to satisfactorily complete the work required. Pre-qualification shall only be considered in one or more of the following circumstances:
 - (i) The work involves complex, multi-disciplinary activities, specialized expertise, equipment, materials, or financial requirements,

- (ii) The work is such that Contract administration costs (work inspection, follow-up, and extra fee negotiations) could result in a substantial cost to the City if the work is not satisfactory performed the first time,
 - (iii) The goods or services to be purchased must meet national safety standards, or if no standard has been established, require a demonstrated acceptable level of performance.
 - (iv) The work is considered “high risk” with respect to regulations governed under the Occupational Health and Safety.
- (3) Pre-qualification involves a two-step process, where a Bid Solicitation process will follow. Pre-qualification is the first step, and sets out criteria requiring bidders to provide information including, but not limited to:
- (i) Experience on similar work,
 - (ii) References provided from other customers for similar work,
 - (iii) Verification of applicable licenses and certificates,
 - (iv) Health and safety policies and staff training, and
 - (v) Financial capability.
- (4) Appropriate staff, at the direction of Director of Finance and Administrative Services, in consultation with the originating department Director, will evaluate and rank the submissions and then recommend a short list of acceptable suppliers who will be invited to participate in the subsequent procurement process.

19. Request for Information

Alternatively, the City may issue a Request for Information. A Request for Information can be used to build supplier interest and to see if there are enough suppliers to justify a full Bid Solicitation process. The Request for Information may request detailed information including, but not limited to, company background, who the interested parties are, what they can offer and what they can do for the City.

20. Summary of the various procurement processes

Appendix A to this By-law provides a summary of the Types of Procurement Processes set out in Part 6.

PART 7 – IN-HOUSE BIDS

21. The purpose of Part 7 is to set out the policy for when and how in-house bids will be used.

- (1) In-House Bids may be used for the procurement of goods and/or services in the following circumstances:
- (i) Where an external supplier has historically provided a good and/or service, and Council determines that it is in the best interest of the City to allow its staff to compete for the provision of the good and/or service.

- (ii) Where staff has historically provided a good and/or service, and Council determines that it is in the best interests of the City to allow its staff to compete for the provision of the good and/or service.
 - (iii) In any other circumstances that Council determines may be appropriate.
- (2) In-House Bids shall only be used where external suppliers have also been requested to submit bids.
- (3) If any Bid Solicitation permits In-House Bids, all bidders shall be made aware of this fact in the Bid Solicitation documents.
- (4) Council shall authorize all In-House Bids, in advance. In determining whether an In-House Bid is in the best interest of the City, Council shall consider the following criteria:
- (i) Whether the In House-Bid will result in a significant increase or decrease in capital equipment and infrastructure expenditures by the City .
 - (ii) The extent to which the In-House Bid will affect the future ability of the City to deliver essential health, emergency or other vital services to the public, in a cost effective and efficient manner.
 - (iii) The extent to which the In-House Bid will affect the personnel complement of the City .
 - (iv) The extent to which the In-House Bid will affect service levels provided to the public.
- (5) When it has been determined that an In-House bid will be allowed, the type of Bid Solicitation to be used will be determined in accordance with Part 6, and the award process will be in accordance with Part 8.

PART 8 - APPROVAL AUTHORITY FOR COMPETITIVE PROCESS

22. The purpose of Part 8 of this By-law is to set out the approval authority required when a competitive process is to be awarded.
23. Anyone given award approval authority under this by-law is accountable and responsible for ensuring that proper budget exists, purchases do not violate any City, legal or statutory policy, and they have met the audit requirements of the City.
24. **Bid Solicitation Award Approval**
- (1) Council must approve an award where there has been a Bid Solicitation process, the expenditure is greater than \$100,000 (except as provided in subsection (2) (ii)), and/or one or more of the following applies:
- (i) The Bid Solicitation is a Request for Tenders and staff is proposing the tender not be awarded to the lowest bid, which has met the specification, terms & conditions of the tender.
 - (ii) A senior government (ie. Provincial, Federal) requires Council to approve
 - (iii) The award cannot be accommodated within an existing approved budget and therefore requires some type of

- (2) When the required good or service is covered by an exclusive right such as a patent, copyright or exclusive licence.
 - (3) When the procurement is already covered by a lease-purchase agreement where payments are partially or totally credited to the purchase.
 - (4) When it is necessary to ensure compatibility with existing products or to avoid violating warranty/guarantee requirements when service is required.
 - (5) When no Bids were received in a Bid Solicitation process.
 - (6) When the required good or service is in short supply due to market conditions.
 - (7) When the good or service can be provided by any of the subsidiaries of the City Of Peterborough Holdings Inc., and City staff elect to use their services.
 - (8) When the good or service is available only through a Sole Source.
30. For any non-competitive procurement circumstances described in Section 29, approval authority is the same as set out in Part 8 of this By-law.

31. Payments not requiring a Bid Solicitation process

In addition to the non-competitive procurement circumstances described in Section 29, there are a number of payments made in the ordinary course of business that are considered as a transfer of funds or fulfillment of legislated requirements, and do not require a Bid Solicitation process.

32. The following payments shall not require a Bid Solicitation process:

(1) General Expenses

- (i) Workers Safety Insurance Board payments
- (ii) Payroll Deduction Remittances such as Income Tax, Unemployment Insurance Premiums Employer Health Tax
- (iii) Debt principal and interest payments,
- (iv) Loan and mortgage payments
- (v) PST remittances
- (vi) Licences (vehicles, elevators, radios, or the like.)
- (vii) Real Property payments including purchases, leases, easements, encroachments and licenses, or the like.
- (viii) Insurance claims, legal settlements and arbitration awards
- (ix) Employee / Council travel expenses
- (x) Other employee related expenses such as memberships in professional organizations, staff attendance of seminars, workshops, conferences or courses.

(2) Professional Services

- (i) Human Resources Services, such as outplacement or temporary employment.
- (ii) Employee training, facilitators, or speakers.
- (iii) Medical Professional Services
- (iv) Expert Witnesses
- (v) Outside Legal Counsel
- (vi) Individuals selected from the Alternate Work Force Roster who provide a service either as an employee or a consultant,

where the cost per assignment is expected to be less than or equal to \$25,000 and their use has been approved by the CAO.

(3) Payments to other organizations / individuals

- (i) Other Municipalities
- (ii) Fire hydrant cost payable to Peterborough Utilities Commission Water Department
- (iii) Street light maintenance cost payable to the Peterborough Utilities Group of Companies
- (iv) Annual requisitions approved as part of the budget process to a local board or agency such as Otonabee Region Conservation Authority, Peterborough Humane Society, County City Health Unit, Festival of Lights, Showplace, Canadian Canoe Museum, and Race Relations Committee
- (v) Sewer surcharge collection fees payable to Peterborough Utility Services Inc.
- (vi) Social Services agencies that provide service to the City through Service Agreement such as Daycare and Hostel Operators
- (vii) Tenants and promoters using the City arenas
- (viii) Social Housing providers
- (ix) MPAC property assessment services and support costs
- (x) Organizations on whose behalf the City has received donations and issued income tax receipts
- (xi) Capital grants to other organizations, as approved in budgets (such as the DNA and Peterborough Regional Health Centre Construction Contributions)
- (xiii) Services that can be provided directly by the City's Cooperative Purchasing Group members (such as the printing of the City's budget documents by the Trent University Print Shop)

(4) Special Services

- (i) Various transfers to Social Services clients
- (ii) Postal services
- (iii) Communications, such as telephones, cable, media, and advertising
- (iv) Payments to developers as stipulated in Subdivision or other Development Agreements
- (v) Investments
- (vi) Bank charges
- (vii) Expenses related to an event which will eventually be recovered in full from a third party

(5) Utilities

- (i) Electricity
- (ii) Water
- (iii) Natural gas.

(6) Refunds

- (i) Property tax refunds
- (ii) Cancelled services, program, events, tickets

33. Flexibility to add additional exempt purchases

The Director of Finance and Administrative Services is authorized to add similar expenditures to the list of payments in Section 32.

34. Payment basis for exempt expenditures

Payments for the exempt expenditures may be made on the basis of an invoice from a supplier, or based on an internal cheque request, with the appropriate account number(s) indicated and which has been signed by an employee with applicable approval authority as set out in Section 35. In some cases, a purchase requisition and purchase order may be required.

35. Approval authority for exempt payments where sufficient approved budget exists

(1) The following approval limits apply for payments set out in Sections 32 and 33, where sufficient approved budget exists:

- (i) Up to \$10,000 may be approved by a Manager and forwarded to the Purchasing Section for processing.
- (ii) Greater than \$10,000 and less than equal to \$25,000 may be approved by the Department Director and forwarded to the Purchasing Section for processing.
- (iii) Greater than \$25,000 may be approved by the originating Department Director and by either the CAO or Director of Finance and Administrative Services, and then forwarded to the Purchasing Section for processing.

36. Approval authority for exempt payments where sufficient approved budget does not exist

(1) Where sufficient budget does not exist to cover a payment set out in Sections 32 and 33, one of the following applies:

- (i) If the required budget amount is less than or equal to \$5,000 and can be accommodated by transferring funds from an approved budget, including any uncommitted general contingency, the budget transfer and payment may be authorized by the Director of Finance and Administrative Services.
- (ii) If the required budget amount is greater than \$5,000 and less than or equal to \$10,000, and can be accommodated by transferring funds from an approved budget, including any uncommitted general contingency, the budget transfer and payment can be authorized by the City Administrator.
- (iii) If the required budget amount is greater than \$10,000, the budget transfer must be approved by Council.

37. Summary of approval authority for exempt payments

Appendix C to this By-law provides a summary of approval authority for exempt payments.

PART 10 – SPECIFICATIONS

38. The purpose of Part 10 of this By-law is to set out how specifications to be included in a Bid Solicitation document are to be developed.

39. Department Director responsible for preparing specifications and scope

The department Director (or designate) whose budget provides for the procurement of goods and services shall be responsible for the preparation of all specifications and/ or the scope of work to be used for the procurement of such goods and services.

40. Specifications not to be brand specific

Where practical, specifications or the scope of work terms of reference shall be detailed but not brand specific, so that potential suppliers may provide alternatives in the event an equal or better-proven product or method is available.

41. Request for Proposals specifications

Where a Request For Proposals is issued, the requesting department shall prepare evaluation criteria and weightings for the criteria in conjunction with the Director of Finance & Administrative Services. The document shall clearly distinguish those requirements that are deemed mandatory or non-mandatory and shall clearly outline how these items will be evaluated.

42. Supplier who assists in developing specifications

In some cases, it may be desirable to ask a potential supplier to help City staff design or develop specifications, or otherwise help define a requirement that goes beyond the normal level of service expected from a supplier. When such services are utilized:

- (1) The supplier will be considered as a consultant and shall not be eligible to bid, whether or not a fee is paid to the supplier.
- (2) The detailed specifications shall be approved by the Director of the initiating department and shall become the property of the City for use in obtaining competitive bids.

PART 11 – INTEGRITY OF THE PROCUREMENT PROCESS AND PROTECTING THE INTERESTS OF THE CITY

43. The purpose of Part 11 of this By-law is to set out how the integrity of the Purchasing Policy, the interest of the public, and the interest of the City will be protected.

44. General principles

In order to ensure that integrity is maintained in the procurement process, and to protect the interests of the City, the public and persons participating in a procurement process, the following general principles shall be adhered to for any procurement:

(1) Open Process:

Requirements are clearly communicated to Bidders. The method of evaluating the Bid and the Evaluation Criteria used to evaluate the Bid, and the method and format of submitting Bids, are clearly addressed in the Bid Solicitation document.

(2) Fairness:

Standard documents such as Instructions to Bidders, Terms and Conditions and bidding forms, are utilized, to ensure consistency of content and format within documents issued by the City. All details regarding the closing date, time and location of all Bid Solicitation processes are clearly specified, and the rules of bid acceptance are applied consistently. All bidders and all submissions are treated equally and without bias or favouritism.

(3) Accessibility:

Specifications and terms of reference, whenever possible, are not restrictive and allow for open competition from the marketplace. All Requests for Tenders, Requests for Proposals, and Requests for Formal Quotations are advertised on the City's web page and where practical, the documents are available for down loading. The competitive bidding opportunity is advertised in local newspapers, and national newspaper where deemed appropriate, to promote competition.

(4) Accountability:

All Bids are kept secure prior to the closing date, during the evaluation period and following contract award. All proprietary information and Bids submitted in confidence are handled in accordance with the Municipal Freedom of Information and Protection of Privacy Act. Where practicable, Requests for Proposals are evaluated by representatives from more than one Department to allow for various perception and opinions when reviewing and evaluating proposals prior to contract award. Ensure that all bids, rating results and related supporting documentation are kept on file in accordance with the City's Records Retention By-law for future reference, audit or examinations. Ensure that procurement procedures are reviewed on a regular basis to ensure the procedures are clear, logical, current and in accordance with accepted industry standards.

(5) Employee Conflict of Interest:

Employees of the City shall not have a pecuniary interest, either directly or indirectly, in any evaluation of or contract with the City or with any person acting for the City in any contract for the supply of goods and/or services for which the City pays or is liable, directly or indirectly to pay unless such interest has been declared. Employees of the City are required to declare any pecuniary interest, either direct or indirect, in writing, to their Department Director with a copy to the Director of Finance and Administrative Services indicating the specific nature of the conflict. Any conflict of interest that cannot be isolated and resolved will be reported to the CAO.

45. Purchasing Code of Ethics

In addition to the above general principles, all employees who are authorized to carry out procurement on behalf of the City shall adhere to the following code of ethics

- (1)** Open and honest dealings with everyone who is involved in the purchasing process. This includes all businesses with which the City contracts or from which it purchases goods and/or services, as well as all members of staff and of the public who utilize the services of the Purchasing Section.

- (2) Fair and impartial award recommendations for all competitive processes. City staff may not extend preferential treatment to any supplier, including local suppliers. This is prohibited by the Province of Ontario's Discriminatory Business Practices Act, and, in any event, is not good business practice, since it limits fair and open competition for all suppliers and is therefore a detriment to obtaining the best possible value for each tax dollar.
- (3) An irreproachable standard of personal integrity. Absolutely no gifts or favours may be accepted. No public endorsement of any potential supplier may be made, in order to give that supplier an advantage over others.

PART 12 - EMERGENCY PROCUREMENT

46. The purpose of Part 12 of this By-law is to set out guidelines for procurement during an emergency.

47. Authorized actions related to emergency

As the result of an emergency, the following actions are authorized:

- (1) During the emergency
 - (i) the CAO, or the requesting Department Director or Division Manager or their designates, shall approve the purchase of goods and/or services deemed necessary to remedy the emergency.
 - (ii) procurement shall take place by the most expedient and economical means given the relevant circumstances.
 - (iii) the Purchasing Section will provide cooperative assistance when requested to expedite any purchasing documents necessary to deal with the Emergency.
- (2) As soon as practicable after the emergency, if an emergency purchase greater than \$25,000 has been made pursuant to this Part, and where the expenditure would normally have been subject to a competitive process, a report shall be prepared by the requesting Department Director, explaining the action taken and reasons therefore, and submitted as follows:
 - (i) For amounts greater than \$25,000 but less than or equal to \$50,000, to the CAO;
 - (ii) For amounts greater than \$50,000 but less than equal to \$100,000, to the Administrative Staff Committee;
 - (iii) For amounts greater than \$100,000, to Council.

PART 13 - COOPERATIVE PURCHASING

48. The Purpose of Part 13 of this by-law is to describe how a Cooperative purchasing process can be used.

49. A Cooperative Purchase will require prior approval of the Director of Finance and Administrative Services.

50. The City may call a cooperative tender in which the City is the largest purchaser. All other participating agencies shall be invited to the opening of the tender.

51. The City may also participate with other government agencies or public authorities in cooperative purchases when it is in the best interest of the City to do so as determined by the Director of Finance & Administrative Services. The procedures and policies of the agency calling the tender, proposal or quotation will be followed.
52. Each agency will obtain appropriate award approval, prepare and execute an agreement, where required, order, receive, inspect and pay for the good or service it uses.
53. The City shall retain the right to opt out of any cooperative purchase, if deemed to be in the best interest of the City by the Director of Finance & Administrative Services. The City shall exercise this right prior to the calling of the tender.
54. Award approval for cooperative purchases will be as set out in Part 8 of this by-law.

PART 14 - DISPOSAL OF SURPLUS GOODS AND REAL PROPERTY

55. The purpose of Part 14 of this by-law is to set out the policy for the disposal of surplus or obsolete goods and other assets
56. **Disposal of surplus and obsolete goods**

The disposal of surplus and obsolete goods shall be evaluated on a case-by-case basis. The initiating Department Director, in conjunction with the Director of Finance and Administrative Services, have the authority to sell, exchange, or otherwise dispose of goods declared as surplus to the needs of the City, where it is cost effective and in the best interest of the City to do so.
57. **Surplus and obsolete goods may:**
 - (1) Be offered for sale to other departments or public agencies;
 - (2) Be sold by external advertisement, formal request, auction or public sale (where it is deemed appropriate, a reserve price may be established);
 - (i) If a good is sold through a formal competitive process, the approval limits for the sale shall be in accordance with the approval authority as set out in Part 8.
 - (3) Be sold or traded to the original supplier or others in that line of business where it is determined that a higher net return will be obtained than by following other procedures;
 - (4) Be donated to a non-profit agency;
 - (5) Be recycled; or
 - (6) Be scrapped, in the event that all efforts to dispose of goods by sale are unsuccessful.

58. The sale of such goods to employees, elected officials, or their family members, other than in accordance with Section 57 (2), is prohibited.

59. **Disposition of real property**

The process to be used to dispose of real property owned by the City shall be in accordance with Section 268 of the Municipal Act, 2001 and City By-

law 95-62 – “Being a by-law to Establish Procedures to Govern the Sale of Real Property”

PART 15 - AGREEMENTS

- 60.** The purpose of Part 15 of this by-law is to set out when a written agreement for procurement is required, how the agreement is to be produced, who is authorized to execute the agreement, how and when an agreement can be amended, and the process to be followed when no budget exists for a project for which a Bid Solicitation process is to be undertaken.
- 61.** When required, the City Solicitor, in consultation with the originating Department Director, or designate, shall prepare an agreement. An agreement will be required when one or more of the following apply:
- (1)** Terms and conditions associated with a standard Purchase Order are deemed insufficient,
 - (2)** There is a mandatory requirement included in the Bid Solicitation that an agreement will be entered into, or
 - (3)** The Supplier requires an agreement.
- 62.** If an agreement is required, no work shall proceed or services be performed prior to the execution of the agreement.
- 63. Amendments to agreements**
- No amendment or revision to an agreement shall be made unless the amendment, in the opinion of the City Solicitor, is in the best interest of the City.
- 64.** No amendment that changes the original award price of an agreement shall be made without a corresponding change in requirement or scope of work.
- 65.** Where the original award value exceeded \$100,000 and was approved by Council, additional Council approval is required for expenditures that exceed the original price by more than the lesser of 10 percent, or \$100,000.
- 66.** The CAO, or a Director or a Manager may recommend amendments to agreements provided that:
- (1)** The total amended value of the agreement is within their respective approval authority as noted in Part 8 of this by-law,
 - (2)** The total amended value of the agreement is within approved budgets, and
 - (3)** The amendments are approved by the City Solicitor.
- 67.** Where expenditures for the proposed amendment, combined with the price of the original Agreement, exceeds the Council approved budget for the project, a report prepared by the Department Director shall be submitted to Council recommending the amendment and proposing the source of financing.

68 Procurement and agreement without budgetary approval

- (1) Where a procurement which requires a Bid Solicitation pursuant to this By-law is contemplated, and sufficient funds are not contained within the Council approved budget to meet the proposed expenditure, the Department Director shall, prior to commencement of the Bid Solicitation process, submit a report to Council containing:
 - (a) Information surrounding the requirement to initiate a Bid Solicitation process, and
 - (b) Information on the availability of the funds within existing budgets, which were originally approved by Council for other purposes, or on the requirement of additional funds.

69. Authority to execute agreements

- (1) Where an agreement is required as a result of the award of a contract by Council, and the agreement is satisfactory in form to the City Solicitor, in technical content to the appropriate Director, and in financial content to the Director of Finance & Administrative Services, a by-law, with the agreement attached, shall be passed to authorize the Mayor and the Clerk to execute the agreement.
- (2) Where an agreement is required as a result of the award of a contract by delegated authority as set out in this By-law , and the agreement is satisfactory in form to the City Solicitor, in technical content to the appropriate Director, and in financial content to the Director of Finance & Administrative Services, the CAO and the Clerk are hereby authorized to execute the agreement in the name of the City. No further by-law is required.

70. Exercise Of Agreement Renewal Options

- (1) Where an agreement contains an option for renewal, such option may be exercised, provided that all of the following apply:
 - (i) The supplier's performance in supplying the goods and/or services is, in the opinion of the respective Director and Director of Finance & Administrative Services, considered to have met the requirements of the Contract.
 - (ii) The Department Director or designate provides the Director of Finance & Administrative Services with a written explanation as to why the renewal is in the best interest of the City.
 - (iii) The Department Director and the Director of Finance & Administrative Services agree that the exercise of the option is in the best interest of the City.
 - (iv) Funds are available in appropriate accounts within the Council approved budget including authorized revisions to meet the proposed expenditure.

71. Authority to exercise options to renew

- (1) Options to renew an agreement require the following approvals:

- (i) Options to renew that will cost more than \$100,000, by Council.
- (ii) Options to renew that will cost more than \$50,000 and less than or equal to \$100,000, by the Administrative Staff Committee.
- (iii) Options to renew that will cost more than \$25,000 and less than or equal to \$50,000, by the CAO.
- (iv) Options to renew that will cost \$25,000 or less, by a Director.

PART 16 - REVIEW/EVALUATING EFFECTIVENESS OF THE PROCUREMENT PROCESS

72. The Purpose of Part 16 of this by-law is to set out how and when the effectiveness of the procurement process will be reviewed and evaluated.

73. Review to be undertaken prior to the end of each Council term

The Director of Finance and Administrative Services, in consultation with the appropriate City staff, will conduct a detailed review of this By-law on an as-required basis, but at a minimum, shall report to each Council, prior to the end of its term, with any recommended amendments.

74. Factors to be considered during review

The review conducted by the Director of Finance and Administrative Services shall take into consideration current and future professional practices, industry standards, market conditions, Federal/Provincial Government directions/policies, technological developments and advancements, policies in the by-law where, through application, it becomes apparent that clarification is needed, and the impact that any recommended changes may have on potential suppliers to the City.

75. Short Title

This By-law may be referred to as the "Purchasing Policy By-law".

By-law read a first, second and third time this 23rd day of October, 2006.

(Sgd.) Sylvia Sutherland, Mayor

(Sgd.) Nancy Wright-Laking, City Clerk

Appendix A - Procurement Processes

Ref	If goods or services to be purchased Before all Applicable Taxes		Procurement process to be followed	Method of Acquisition, Approval Authority and Contractual Arrangement
	Greater than	Less than = to		
Col 1	Col 2	Col 3	Col 4	Col 5
1	-	5,000	Low Value Procurement Process Purchasing Card Direct Acquisition When vendor cannot use purchasing card	Purchased directly by card holder. Monthly summary reviewed and signed by immediate supervisor. Finance staff pay Royal Bank Visa Monthly Vendor invoice signed by Director or Manager Then forwarded to Purchasing for processing
2	5,000	25,000	Informal Quotation Where practical 3 informal price quotations	Purchase requisition prepared by originating department with results of quotation attached and approved budget reference. Purchase requisition to be signed by Manager or Director(depending on \$ value) Then forwarded to Purchasing for processing Contractual Arrangement can be Purchase Order, Blanket Order or Legally Executed Agreement signed by Clerk and CAO
3	25,000	50,000	Request for Proposals Request for Tenders Request for Formal Quotation	Purchase requisition prepared by originating department with results of bid solicitation attached and approved budget reference. Purchase requisition to be signed by originating department director. And then signed by CAO or designate Then forwarded to Purchasing for processing Contractual arrangement can be Purchase Order, Blanket Order or Legally Executed Agreement signed by Clerk and CAO
4	50,000	100,000	Request for Proposals Request for Tenders	Award report prepared and presented to Admin Committee Report to include approved budget reference Purchase requisition prepared by originating department with copy of award report to the Admin committee and minutes of meeting showing admin approval attached. Signed by originating department Director Then forwarded to Purchasing for processing Contractual arrangement can be Purchase Order, Blanket Order or Legally Executed Agreement signed by Clerk and CAO
5	100,000		Request for Proposals Request for Tenders	Award report prepared and approved by Council (If the procurement process is a Request for Tender for Utility Services Major Construction Works, is within budget, and is being awarded to the lowest bidder , it can be awarded by the Admin Committee.) Purchase requisition prepared by originating department with a copy of award report to the Council/Admin Committee and minutes of meeting showing approval attached. The requisition is to be signed by originating department director and then forwarded to Purchasing for processing. Contractual Arrangement can be Purchase Order, Blanket Order or Legally Executed Agreement signed by Clerk and Mayor with official by-law passed.

Appendix B - Approval Limits for Procurement Processes

Ref	Before all Applicable Taxes		Approval by
	Greater than	Less than = to	
Col 1	Col 2	Col 3	Col 4
1	-	10,000	Manager or other "delegated" staff as specifically designated by the Director and approved by Director of Finance and Administrative Services
2	10,000	25,000	Director
3	25,000	50,000	City Administrator
4	50,000	100,000	Administrative Staff Committee
5	100,000	No limit	Administrative Staff Committee
	And the bid solicitation process is a Request for Tender for a Utility Services Major Construction Work and is is being awarded to the lowest bidder and provided that the expenditure s within the Council approved budget		
6	100,000		Council
	And the bid solicitation process is not a Request for Tender for a Utility Services Major Construction Work		

Appendix C - Approval Authority for Exempt Payments

Ref	If goods or services to be purchased Before all Applicable Taxes		Payment authorization	Signed by
	Greater than	Less than = to		
Col 1	Col 2	Col 3	Col 4	Col 5
1	- And sufficient budget exists	10,000	Invoice or request for cheque	Manager or other "delegated" staff (as specifically designated by the Director and approved by Director of Finance and Administrative Services)
2	10,000 And sufficient budget exists	25,000	Invoice or request for cheque	Department Director
3	25,000 And sufficient budget exists		Invoice or request for cheque	Department Director and CAO or Director of Finance & Administrative Services
4	- And sufficient budget does not exist	5,000	Director of Finance and Administrative Services can approve budget transfer including a transfer from or direct charge to uncommitted general contingency Invoice or request for cheque	Department Director and Director of Finance & Administrative Services
5	- And sufficient budget does not exist	10,000	City Administrator can approve budget transfer including a transfer from or direct charge to uncommitted general contingency Invoice or request for cheque	Department Director and City Administrator
6	10,000 And sufficient budget does not exist		Originating Department Director to prepare a report for Council approval which identifies a funding source Invoice or request for cheque with Council minutes attached	Department Director and Director of Finance & Administrative Services