

**THE CORPORATION OF THE
TOWN OF ERIN**

BY-LAW # 05 - 58

**A By-Law to Adopt Policies and
Procedures to Govern the Procurement
of Goods and Services By the
Corporation of the Town Of Erin**

AND WHEREAS Section 271(1) of The Municipal Act, 2001, as amended, states that a Municipality and a local board shall adopt policies with respect to its procurement of goods and services;

WHEREAS Section 5 of The Municipal Act, 2001, as amended, states that the powers of the Municipal Council shall be exercised by By-Law, unless the Municipality is specifically authorized to do otherwise;

AND WHEREAS the Council of the Town of Erin deems it desirable to achieve consistency, efficiency and competitiveness in the procurement of goods and services by the Town of Erin;

NOW THEREFORE this Council of the Corporation of the Town of Erin hereby enacts as follows:

1. **THAT** this Council of the Corporation of the Town of Erin hereby adopts the “Purchasing Policy” attached hereto and marked as Schedule “A” to this By-Law.
2. **THAT** this Council of the Corporation of the Town of Erin hereby adopts the “Recommended Range of “Thresholds” attached hereto and marked as Schedule “B” to this By-law.
3. **THAT** this By-Law shall come into force and be effective upon third and final reading hereof.
4. **THAT** this By-law hereby repeals and replaces any prior by-laws and/or resolutions regarding procurement practices.

Read a first and second time this _____, day of _____, 2005.

Read a third time and finally passed this _____, day of _____, 2005.

MAYOR

CLERK

Schedule "A" to By-Law # 05 - 58

PURCHASING POLICY

1. Purpose

1.1 Legislative Authority

The Municipal Act, 2001, Part VI, Section 271, as amended, 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 process will be reviewed to evaluate their effectiveness, and
- i) Any other prescribed matter. 2001, c25, s.271(1).

2. Purpose of Purchasing Policy

- 2.1 The purpose of this Policy is to set out guidelines for the Municipality to ensure that all purchases of materials, supplies and services provide the lowest costs consistent with the required quality and service.
- 2.2 An open and honest process shall be maintained that is fair and impartial.
- 2.3 The Purchasing Policy will promote and maintain the integrity of the Purchasing Process and protect Council, vendors and staff involved in the process by providing clear direction and accountabilities.

3. Implementation Procedure

3.1 Definitions

For the purposes of this Policy:

"Approved Budget" means a budget approved by the Council of the Corporation of the Town of Erin, for the current fiscal year.

“Authority” means the legal right to conduct the tasks outlined in the Policy as directed by Council.

“Blanket Order” shall mean the agreement wherein a vendor will sell certain items to the Town for an agreed period of time with established terms and conditions.

“Bid” shall mean a submission from a prospective vendor in response to a request for the purchase of goods or services issued by the Town.

“Committee” shall mean a Committee as designated by the Council of the Corporation of the Town of Erin.

“Council” shall mean the Municipal Council of the Corporation of the Town of Erin.

“Contract” means a written binding agreement between the Town and the party providing the goods and services at a specified price.

”Department” means any department within the Town, including any board for which the Municipality provides purchasing services.

“Department Head” means the senior manager of a Department within the Town of Erin.

“Deposit” shall mean a financial guarantee to ensure the successful bidder will enter into an Agreement.

“Emergency” means a situation where immediate purchase of goods or services is essential to prevent serious delays, further damage, or to restore minimum services.

“Firms” means the company, group, business or individuals conducting business and supplying goods and services.

“Formal Bid” shall mean a sealed bid submission.

“Formal Quotation” shall mean a document that sets out particular requirements for good and/or services.

“Generic” shall mean that no specific brand or name shall be included as part of the specifications unless such a brand or name is required to identify the intent of a purchase, order or proposal.

“Goods and Services” means supplies, work, equipment, property, construction, etc., which the Town is intending to obtain, including the services of consultants.

“Informal Quotation” shall mean a competitive bid process for goods or services that is conveyed and received from bidders in a written format by e-mail, mail or fax.

“Invited Quotation” means a written offer or tender solicited from only specifically identified vendors. No published advertisement is required. At least (3) three quotations or tenders will be sought.

“Invoice Approval Stamp” shall mean a stamp prescribed by the Treasury Department to ensure required approvals are applied to an invoice.

“Local Supplier” means a business being operated within the boundaries of the Town of Erin.

“Open Quotation” means a written offer or tender from suppliers solicited through published advertisements in local newspaper(s) or major trade publication.

“Personal Purchase” means a purchase of goods and services, the requirement for which is not for the Town or any of its purposes, but is personal to the person requesting the purchase.

“Professional and Consulting Service” means a person or firm, who by virtue of particular expertise is hired by the Town to undertake a specific task or assignment that may include designing specifications and preparing plans or programs.

“Public Opening” shall mean those in attendance at the specified time when the documents are opened which may include staff and or those who participated in the bidding process.

“Purchases” means the acquisition of goods or services for which the Town will undertake to pay, regardless of the cost being funded or subsidized by other levels of government.

“Purchase Order” means a written contract, on a form provided by the Town to purchase goods and services.

“Reserve Bid Amount” means an amount or value so established by the respective Department Head and the Town Manager.

“Quotation” means a written offer received from a supplier to sell or buy goods and services in response to a direct request.

“Sealed Bids” are bids submitted in a sealed envelope to a specified location, by a specified date and time.

“Services” shall mean items such as telephone, gas, water, hydro, janitorial and cleaning services, consultant services, legal surveys, medical and related services, insurance, leases for grounds, buildings, office or other space required by the Corporation and the rental, repair or maintenance of equipment, machinery, or other personal and real property.

“Supplies” shall mean goods, wares, merchandise, material and equipment.

“Tender” means a document, which sets out particular specifications for the commodity or service required. This can also refer to an offer in writing to execute some specified work or to provide some specified articles at a specified rate.

“Total Acquisition Cost” means the cost, which results in the complete cost of ownership, operation or purchase or lease to the Town. This cost is arrived at after considering all factors, such as price, quality, services, terms and conditions and warranties, including taxes and discounts.

“Town” means the Corporation of the Town of Erin.

“The Corporation of the Town of Erin” herein is also referred to as the “Town” or the “Corporation”.

“Vendor” shall mean any person or enterprise supplying goods or services to the Corporation of the Town of Erin.

3.2 General Provisions

- 3.2.1 During the purchasing process, in-house bids will not be considered.
- 3.2.2 The Town Clerk has the authority to purchase goods, services and equipment considered necessary or advisable to carry out the requirements of the Municipal Elections Act, R.S.O. 1996. The Town Clerk shall whenever possible be guided by the provisions of this By-Law and the Purchasing Policy and Purchasing Procedures.
- 3.2.3 No appointed officer or employee of the Town of Erin will have any interest directly or indirectly, as a contracting party, partner, shareholder, surety or otherwise in any contract for goods or services or in any portion of the profits thereof or on any supplies to be used herein, or in any of the monies to be derived therefrom, unless approved by resolution of Council prior to the officer or employee tendering or quoting.

If a Department Head has a direct or indirect interest and is responsible for the quote or tender, the process shall be undertaken by a designate as appointed by the Town Manager.

3.2.4 No purchase of goods and services shall be authorized unless it is in compliance with the Purchasing Policy and Purchasing Procedures. Goods and services that are obtained without following the provisions of the aforementioned will not be accepted and any invoices received will not be processed for payment.

3.2.5 Disputes, received in writing, shall be resolved as follows:

- (i) Meeting between the bidder and Department Head responsible.
- (ii) If (i) does not lead to a resolution, the decision can be appealed to the Town Manager.
- (iii) If (ii) does not lead to a resolution, the decision can be appealed to the Council.

3.2.6 This Purchasing Policy will be reviewed and revised on a periodic basis. It is anticipated that reviews will be conducted once every term of Council or more frequently if required.

4. Purchasing Responsibilities

4.1 Expenditure Authorization

4.1.1 The Council of the Corporation of the Town of Erin has ultimate authority for all expenditures. Council delegates this authority by the authorization of budgets or by specific resolution. Treasury cannot pay for an item that has not been authorized by Council through budget appropriation or specific resolution. This Purchasing Policy provides guidelines outlining how spending authority is to be used.

4.2 Department Head Authorization & Responsibilities

4.2.1 The Department Head shall be responsible for approval of accounts within the approved budget for such division or any amendment to same as approved by Council. Unspecified capital expenditures in the annual estimates require prior Council approval by resolution.

4.2.2 Resolutions approving budget amendments, capital expenditures or special appropriations shall contain purpose of expenditure, cost

estimates or expenditure limitation, and the fund in which an appropriation has been provided. All staff reports recommending such resolutions shall contain the Department Head's endorsement.

- 4.2.3 A Department Head may appoint subordinates to exercise any or all responsibilities assigned to that Department Head by this Policy.

4.3 Department Head Authorization & Responsibilities

- 4.3.1 The Department Head shall be authorized to make Small Order Purchases of goods and services up to an amount of \$10,000 from such vendor and upon such terms and conditions as the Department Head deems appropriate. (Refer to 18.1)
- 4.3.2. Committee Chairpersons shall be authorized to make small order purchases of goods and services up to an amount of \$5,000. from such vendor and upon such terms and conditions as the Town Manager deems appropriate.

4.4 Purchasing Designate

- 4.4.1 A Department Head may appoint a Purchasing Designate to exercise any or all responsibilities assigned to that Department Head by this Policy.

5. Purchasing Methods

5.1 Informal Quotation Purchase

- 5.1.1 The Department Head shall be authorized to make purchases of goods and services for estimated expenditures exceeding \$10,000.00 and less than \$25,000.00 from such vendor and upon such terms and conditions as the Department Head deems appropriate subject to first obtaining at least three (3) written quotations whenever possible. Bid documents and specifications (as applicable) can be issued and received by e-mail and/or fax transmission at the using department location.
- 5.1.2 Exclusions: Single item small capital projects or purchases including those of complex specifications or requirements must be issued in a formal bid document. (e.g. the purchase of a new vehicle)
 - 5.1.2.1. Where purchases of repeated or similar goods or services are provided by select vendors based on

proven ability, quality of workmanship, service, availability, overall performance, experience and consistency of product, the Department Head may recognize these Preferred Vendors and authorize purchases not exceeding \$30,000 aggregate per year per vendor without obtaining 3 quotes.

- 5.1.2.1.1 Each Department Head will provide an annual report to Council providing a list of currently used “Preferred Vendors”. An Evaluation Report shall be prepared for Council by each Department Head every three years providing an evaluation of each “Preferred Vendor” including type of service and material supplied, total amounts of payments made to the vendor, and any other information as Council requests from time to time.

5.2 Formal Quotation Purchases

- 5.2.1 The Department Head shall not be authorized to make Formal Quotation Purchases for goods and services for estimated expenditures exceeding \$25,000.00 and less than \$100,000.00 without requesting and obtaining sealed bids for the goods and services unless specifically authorized to do so by a resolution of Council for a particular transaction. At least three (3) bids must be obtained whenever possible.
- 5.2.2. The Department Heads are required to acquire quotations using fair and ethical practices. The Department Head may solicit quotations through “open quotations” or “invited quotations” as deemed appropriate.
 - 5.2.2.1. In soliciting quotations, Department Heads shall indicate the specifications, terms and conditions equally to all bidders.
- 5.2.3. When the preferred Quotation exceeds the approved budget appropriation by 10% of the total project budget, the Department Head shall submit a report to Council for direction.

5.3 Tender Purchases

- 5.3.1. The Department Head shall not order goods or services where estimates exceed \$100,000.00 without requesting and obtaining sealed tenders for the goods and services unless specifically authorized to do so by a resolution of Council for a particular

transaction. At least three (3) bids must be obtained whenever possible.

5.3.1.1. The Department Head shall prepare the tender documents. These documents shall provide clear instructions, specification, terms and conditions for bidding and contract.

5.3.2 Notwithstanding the above, adherence to this Purchasing Policy is not required with respect to those items listed below, or to a transaction specifically authorized by resolution of Council to be exempt from this tendering policy.

5.3.2.1 Purchases for consulting services for a program where services (i.e. bridge inspection/evaluation) have been awarded to a consulting firm on an on-going basis when clearly identified in the budget. This exemption shall apply for a specific vendor, for specific supplies or programs, for a period of up to three years following which time the Department Head shall provide an evaluation report to Council.

5.3.2.3 Purchase of replacement parts where the original equipment manufacturer (OEM) is the sole provider of that equipment (i.e. transmission for a champion road grader).

5.3.2.4 Single source supply.

5.4 Requests for Proposals

5.4.1 The Department Head may use a Request for Proposal in place of a tender or quotation when goods or services cannot be specifically stipulated or when alternative methods are being sought to perform certain functions or services.

5.4.2 For estimated expenditures not exceeding \$50,000.00 the evaluation criteria and process shall be approved by the Department Head prior to the issuance of the Request for Proposal.

For expenditures exceeding \$50,000.00 the evaluation criteria and process shall be approved by Council resolution prior to the issuance of the Request for Proposals.

5.4.3 When the preferred proposal (i) exceeds the approved budget appropriation and/or (ii) exceeds \$50,000.00, the Department Head shall submit a report to Council for direction.

6. Bid Closing and Openings

- 6.1 Department Heads will determine appropriate bid closing and opening procedures.
- 6.2 All bids with estimates exceeding \$50,000.00 will be opened at a public opening.
- 6.3 Notwithstanding the provisions of these procedures, the Town shall have the right to reject the lowest or any bid at its sole discretion. The Town also reserves the right to reissue the bid document in its original format or modified as best suits the requirements of the Town.

7. Conditions Applicable to all Bid Submissions

- 7.1 The following conditions apply to all bid submissions whether they are formal or informal:
 - 7.1.1. Bid documents must be submitted and received in the manner as specified in the bid document. No exemptions will be permitted.
 - 7.1.2. Bids received at the designated Town location later than the specified closing date and time will be returned to the bidder. In the case of sealed bids, the bid will be returned to the bidder unopened. No exemptions will be permitted.
 - 7.1.3. A bidder who has already submitted a bid may submit a further bid at any time up to the official closing time. The last bid received will supersede and invalidate all bids previously received by that bidder.
 - 7.1.4. A bidder may withdraw a submitted bid at any time up to the official closing time by letter bearing their signature.
 - 7.1.5. All departments/divisions must document the receipt of all submissions over \$10,000.00 including the bidders name, date/time of receipt of bid and initials of the employee accepting the bid.

- 7.2 Bids may be rejected for any of the following reasons:
- 7.2.1. Bid received after the specified closing date and time as specified in the bid document. No exceptions.
 - 7.2.2. Bid does not comply with the requirements at time of closing as specified in the bid document. No exceptions.
 - 7.2.3. Bids that are incomplete, conditional or obscure, or which contain additions not called for, erasures, alterations or irregularities of any kind.
 - 7.2.4. Does not meet specification requirements.

8. Blanket Orders

- 8.1 The Department Head may establish Blanket Orders using the applicable bid mechanism based upon the estimated annual expenditure. Blanket Orders may also be coordinated and issued by Treasury for all Town departments as applicable.
- 8.2 In the case of equipment repairs and equipment rentals for amounts not exceeding \$20,000.00 for single repairs or annual aggregate to one vendor of \$35,000.00, the Department Head shall be authorized to select vendors not solely on the basis of cost, but also on ability, quality of workmanship, service, availability, overall performance and experience without first obtaining quotations.
- 8.3 Blanket Orders shall be issued for a specific time period not to exceed 5 years with all ordering departments responsible for maintaining purchases within budget allocations.

9. Purchase of Used Fleet Equipment

- 9.1 The Department Head/designate is authorized to purchase used fleet equipment that is sold by other municipalities by private sale or public auction; sold through a vendor licensed to sell used equipment; by sealed bid; or by negotiation providing that:
 - 9.1.1 The equipment meets or exceeds the departmental equipment requirements.
 - 9.1.2 It is documented that it is fiscally responsible to purchase a used piece of equipment rather than purchase new.
 - 9.1.3 If the total expenditure per piece of equipment exceeds \$20,000.00, a report will be forwarded to Council detailing

purchase information and expenses, for approval by Resolution of Council.

- 9.1.4 The Department Head/designate is exempt from the Town's formal quotation/tender/RFP process when purchasing used fleet equipment by any of the methods detailed in 9.1.

10. Emergency Purchases

- 10.1 The Department Head shall be authorized to make emergency purchases in excess of \$10,000.00 upon the approval of the Town Manager or the Mayor. The Department Head shall present a report to Committee of the Whole or Council at its next meeting.

11. Purchase by Negotiation

- 11.1 A Department Head/designate may purchase by negotiation with one or more vendors under which a formal bid process may be waived under the following conditions:
 - 11.1.1 When market conditions and in the judgment of the Town Manager and Department Head, the goods are in short supply.
 - 11.1.2 When there is only one source of supply.
 - 11.1.3 When two or more identical bids have been received, the Department Head/designate may negotiate with the two lowest bidders, keeping all negotiations fair and ethical.
 - 11.1.4 When the lowest bid meeting specifications exceeds the estimated costs by at least 10% and it is not viable or in the best interest of the Town.

12. Exceptions

- 12.1 A Department Head may request exemption from any or all the purchasing methods outlined in this Policy by submission of a report requesting the same to the Town Manager. Such exemption to be granted by Resolution.

13. Exclusions

- 13.1 Competitive bids shall not be required for goods or services provided by any of the following when such goods or services are not available elsewhere, including, but not limited to:
 - 13.1.1 Utilities, government agencies (statutory orders, environmental, public health, workplace safety compliance orders), Crown Corporations, travel expenses, meals,

conferences, seminars, memberships, subscriptions, medical exams, licenses, in-house services and any other goods or services as approved by Council.

13.1.2 As identified elsewhere in this Policy.

14. Bid Deposits

14.1 Bid deposits shall be required to accompany bid submissions for the following circumstances:

14.1.1 All bids for municipal construction projects in excess of \$100,000.00

14.1.2 Special contracts or scope of work as deemed appropriate by the Department Head.

14.2 For estimated expenditures less than \$200,000.00 the Department Head shall determine the amount of the bid deposit.

14.3 For estimated expenditures greater than \$200,000.00, the minimum bid deposit required shall be 10%.

14.4 A bid deposit shall be provided in one of the following formats:

14.4.1 A bid bond or an agreement to bond issued by a bonding agency currently licensed to operate in the Province of Ontario naming The Corporation of the Town of Erin as the obligee.

14.4.2 A certified cheque made payable to The Corporation of the Town of Erin.

14.4.3 An irrevocable letter of credit naming The Corporation of the Town of Erin as the beneficiary.

14.4.4 Money orders made payable to The Corporation of the Town of Erin.

14.5 The Town does not pay interest on any bid deposits.

14.6 All bid deposits must be original documentation, signed and sealed as appropriate. No faxes or photocopies will be accepted.

14.7 The Town is authorized to cash and deposit any bid deposit in the Town's possession that is forfeited as a result of non-compliance with any of the terms, conditions and/or specifications of a sealed bid.

15. Bonding Requirements

15.1 Performance, Labour and Material and/or Maintenance Bonds are required for all construction projects exceeding \$200,000.00 for a minimum of 50% of the bid amount.

- 15.2 All bonds must be originals, signed and sealed. No faxed or photocopies will be accepted

16. Insurance

- 16.1 The standard insurance minimums are as follows:

\$2 million – general liability policy
\$2 million – automobile liability policy
\$2 million – homeowners (e.g. for rental of facilities)
\$5 million – general liability and automobile liability policies – for contract work done for most Public Works and Environment projects.
\$2 million – professional errors and omissions liability
Builder’s Risk – the amount of the project cost
Bid documents must clearly indicate insurance requirements to be provided by the successful bidder.

- 16.2 The successful bidder must furnish the Town at his/her cost a “certified copy” of a liability insurance policy covering public liability and property damage for no less than the minimum amounts stated in 17.1 to the satisfaction of the Town and in force for the entire contract period. The policy must contain:

- 16.2.1 a “Cross Liability” clause or endorsement
- 16.2.2 an endorsement certifying that the Corporation of the Town of Erin and the successful bidder are included as an additional named insured
- 16.2.3 an endorsement to the effect that the policy or policies will not be altered, cancelled or allowed to lapse without thirty (30) days prior written notice to The Corporation of the Town of Erin.
- 16.3.1 the removal or weakening of support of any property, building or land whether such support be natural or otherwise;
- 16.3.2 the use of explosives for blasting;
- 16.3.3 the vibration from pile driving or caisson work, provided that the minimum coverage for any such loss or damage shall be \$5,000,000.00.

- 16.3 Contractor’s Liability Insurance Policy shall not contain any exclusions of liability for damage, etc., to property, building or land arising from:

17. Administration

- 17.1 No contract or purchase shall be divided to avoid any requirements of this policy.

- 17.2 In all purchases, price shall be the prime selection criteria prior to any special provisions or add/delete calculated into the bid price, providing that all specification requirements are met. Such specifications are to be generic or “as equivalent”. All factors influencing the purchasing decision are to be included in the specifications.
- 17.3 The Town of Erin may participate with other units of government, their agencies or public authorities in co-operative purchase ventures when the best interest of the Town of Erin will be served. Where such participation is at variance with the Town’s Purchasing Policy, Council shall first authorize any participation.
- 17.4 Performance evaluations shall be undertaken on each tendered contract by the appropriate Department Head following payment of approximately 2/3 of the authorized expenditure.
- 17.5 All invoices and accounts from vendors shall be authorized prior to payment. Authorization in the form of signatures of the Department Head and staff denoting clerical accuracy, budgetary or specific resolution approval and indication that goods and services were received in good order must be in place. These required signatures will be deemed to authorize payment.
- 17.6 Between the last regular meeting of Council in any year and the adoption of estimates for the next year, the Department Head is authorized to pay accounts of any ordinary business transactions of the Municipal Corporation that are required to maintain service. This shall include the payment of accounts or previously approved capital items and projects.
- 17.7 After the adoption of estimates, Treasury is authorized and directed to pay the accounts approved by the appropriate Department Head and to pay contract accounts upon receipt of evidence of value received and which are approved by the appropriate Department Head.
- 17.8 The following standard procedures for invoice processing will apply:
- Invoices received – invoices for the Town of Erin are delivered to the appropriate Department Heads for review;
 - Review – the Department Head, or his/her designate, will review each invoice to ensure the following:
 - Goods and services were received by the town on the date and as detailed on the invoice
 - Goods and services are satisfactory – otherwise deficiencies will be noted and payment withheld

- Contract, Agreements, Quotes – invoices will be checked for compliance with requirements of any contracts, agreements, or quoted
- Budget – invoices will be [paid only up to amounts not to exceed Council-authorized budgets, resolutions, quotes or contracts
- Due Dates – payment dates are checked to avoid late payment service charges
- Authorization – Department Heads will enter their “initials” or signature on any invoice in the amount of \$2,000.00 or more. An “initial” from the Department Head indicates to A/P staff that the complete review above has been completed. “Departmental designates cannot authorize invoices above \$2,000.00 without prior written approval of a Department Head or Council.
- Account “Coding” – once invoices have been reviewed, general ledger ”account” codes will be written on each invoice by the Department Head or designate.
- Submission to Accounts Payable staff – invoices should be submitted to A/P after the above procedures are performed. Invoices must be submitted to A/P staff no later than the Monday immediately preceding each regular Council meeting (i.e. 1st and 3rd Mondays monthly). In August each year, accounts will be paid once so invoices must be submitted on or before the 1st Monday in August. In the case of “due dates” falling before regular Council dates, invoices should be submitted to A/P early with a note from the Department to release payment immediately to avoid late charges.
- **Processing** – A/P staff will enter properly authorized invoices into the A/P computer application, check for Departmental authorization, check for previous payments and due dates, printing an “accounts payable listing”, total all payments processed, and submit a Resolution to Council at the next closest regular Council meeting for Council approval. Cheques will be printed and mailed out on the day immediately following each regular Council meeting.
- **Filing** – after payments are released, “paid” invoices and A/P Listings will be filed by A/P staff or the Public Works assistant.
- **Utilities invoices** – in some cases monthly invoices for hydro, gas and telephones may be processed prior to Department Head and Council approval to avoid late payment service charges.

These standard procedures are designed to insure accountable and efficient processing of payables by Town of Erin staff. Best efforts will be made by Town staff to follow accepted procedures.

18. Retention of Documentation

- 18.1 All background information, information submitted by vendors, purchase orders and other relevant information involved in obtaining prices for goods and services exceeding \$10,000.00 shall be retained in the

department for the entire budget year and five (5) years in records retention.

19. Purchasing Process Review

- 19.1 The Department Head/designate and the Town Manager may randomly review departmental purchasing related files on an on-going basis to review the effectiveness and integrity of the processes and policy adherence.

Schedule “B” to By-Law # 05 - 58

**TOWN OF ERIN
PROCUREMENT BYLAW**

RECOMMENDED RANGE OF “THRESHOLDS”

THRESHOLD \$	DEFINITION	FORMAT	AUTHORITY
Up to \$10,000.	Small Order Purchases		Dept Head * Committee Chair
Up to \$10,000 Exceeding \$10,000	Emergency Purchases		Dept. Head Mayor or Town Manager approval
Up to \$20,000 single Up to \$35,000 Annual aggregate Per vendor	Blanket Orders		Dept Head *
\$10,000 - \$25,000.	Informal Quotation	3 written Quotations	Dept Head *
Exceeding \$25,000 Less than \$100,000	Formal Quotation	Sealed Bids “Open” or “Invited”	Dept Head *
Over \$100,000.	Tender	Sealed Tenders “Open” or “Invited” BID DEPOSIT	Dept Head * Council
Up to \$50,000.	Request for Proposal	Written proposal- in place of tender or quotation	Dept Head *
Over \$50,000.	Request for Proposal	Written proposal- in place of tender or quotation	Council
Up to \$30,000 Aggregate per year	Preferred Vendor	selected vendor No quotes required	Dept Head

- “Designate” may be appointed to act as Dept Head