

**GOALS**

1. To ensure openness, fairness, and transparency while protecting the financial best interests of Mississippi Valley Conservation Authority (MVCA).
2. To set out guidelines for the authority to ensure that the total cost of all purchases of materials, supplies and services provide the lowest total costs, including lifecycle costs that are consistent with the required quality, service, product delivery, efficiency and effectiveness.
3. To promote and maintain the integrity of the purchasing process and protect the Board, vendors and staff involved in the process by providing clear direction and accountabilities and by reviewing the policy every five years or earlier to evaluate its effectiveness.

**PRINCIPLES**

**Accountability** – Staff authorized to undertake purchasing functions on behalf of the MVCA should at all times be cognizant of their responsibility to the Board of Directors, funding partners and other members of staff.

**All Costs Considered** – In evaluating bid submissions from responsible and responsive bidders all purchasing shall be completed in a manner which considers all costs, including acquisition, operating, residual and disposal costs rather than a manner which bases a decision solely on the lowest bid price.

**Canadian Products** – Preference may be given to the purchase of Canadian Goods and/or Services and Consulting Services when all else being equal, it is reasonable in the circumstances to do so.

**Cooperative Purchasing** – Where the best interest of the MVCA will be served, MVCA may participate with other Conservation Authorities, other Governments or their agencies or public authorities in cooperative purchasing ventures or joint contracts.

**Efficient/Effective Purchasing** – Staff will procure the necessary quality and quantity of goods and services, including professional and technical consulting services in the

most efficient and cost-effective manner feasible.

**Exemption from Procedure** – The General Manager may request an exemption from any procedure outlined in this Policy by obtaining approval from the Board of Directors through a motion recorded in the MVCA minutes.

**Occupational Health & Safety** – All contractors required to do work for the MVCA will be required to comply with the Occupational Health & Safety Act.

**Sustainability Ethic** – The MVCA will procure necessary goods and services with due regard to the preservation of the natural environment, will encourage vendors to supply goods made by a method resulting in the least damage to the environment and vendors will be encouraged to supply goods incorporating recycled materials where possible.

## DEFINITIONS AND INTERPRETATION

**Authorized Buyers** means those senior staff members or designated buyers purchasing goods and services on behalf of the MVCA.

**Bid** means an offer or submission from a vendor in response to a request for quotation, tender or proposal, which is subject to acceptance or rejection.

**Board of Directors** refers to all those appointed members appointed by the member municipalities to act as representatives to the MVCA and subsequently form the Board of Directors for the MVCA.

**Contract** means a binding agreement between two parties.

**Contractor** means the party responsible for providing the service.

**Disposal** is an act through which MVCA gives up title to real property, and includes a sale, a gift, or the discarding of an item for purposes of this policy, excluding land.

**Goods and/or Services** mean any one or more of: supplies, materials, maintenance and service contracts.

**Non-Responsive Bids** – Bids which are late, illegible, unsigned, do not contain a deposit or are in any other way incomplete shall be rejected as non-responsive.

**Proposal** means an offer from a vendor in response to a request for proposal, acceptance of which may be subject to further negotiation.

**Purchase Order** means a written offer to purchase goods and/or services or a written acceptance of an offer submitted in an approved form sent to the accounting department.

**Quotation** means an offer from a bidder to buy or sell goods and services at a specified rate or price.

**Signing Officer** means persons authorized with the bank to sign cheques or legal contracts on behalf of the MVCA. Currently MVCA's authorized signing officers are the Chair, Vice-Chair, General Manager and the Treasurer.

**Tender** means an offer received from a supplier of goods and/or services in response to a formal request for tenders, the acceptance of which will result in the formation of a bidding contract between the MVCA and the person submitting the tender.

## **PURCHASING LIMITS AND AUTHORIZATION**

For purchases of goods and/or services where delivery is expected over a long period of time, or at irregular intervals (under contract, blanket or open orders), the purchase amount is deemed to be the total estimated cost for the contract period. In addition, purchases should not be subdivided to affect purchasing limits. Excludes utility services such as hydro, gas, phone and internet.

Dollar amounts are the total cost before taxes.

Purchase Orders will only be used when specifically requested by staff or the vendor. On all other purchases, the invoice will be approved directly in accordance with limits.

### **Purchases less than \$1,000:**

- No quotations required.
- Approval of the Program Supervisor is required.

### **Purchases between \$1,000 and \$10,000:**

- Competitive quotes are preferred, but not required as long as Policy Goals are adhered to.
- Approval of the Department Manager is required.
- Approval of the General Manager is required if the expenditure was not originally included in the approved annual budget for the MVCA.

### **Purchases between \$10,000 and \$100,000:**

- Three written quotations required and retained on file for audit purposes. When three

quotations are not available the reasons must be documented.

- Reasons for accepting other than the lowest quotation must be documented and retained on file for audit purposes.
- Approval of the Department Manager and the General Manager is required.
- Approval of the Board of Directors is required if the expenditure was not originally included in the approved annual budget for the MVCA.

**Purchases \$100,000 and above:**

- Goods and/or services exceeding \$100,000 must be obtained by public bid process.
- The appropriate Department Manager is responsible for preparing the bid package, including detailed terms of reference, and specifications where appropriate.
- Bids must be routed to the appropriate Department Manager or his/her designate who will log and safeguard all bids received.
- Bids shall be opened in the presence of a Bid Opening Committee comprised of the Department Manager, General Manager, one additional staff person at the level of senior staff and an administrative support person.
- Approval of the Board of Directors is required before awarding of the successful bid and a motion to approve must be recorded in the MVCA's official minutes.
- Reasons for accepting other than the lowest bid must be documented.
- A summary of the bids and the reasons for accepting other than the lowest bid must be retained on file with the Treasurer for post-audit purposes.
- MVCA Signing Officers shall sign the appropriate documents as required.

**USE OF CORPORATE CREDIT CARDS**

The use of corporate credit cards issued to Authorized Buyers provides the following main benefits:

- efficient, flexible and convenient means for purchasing low value goods and services;
- replaces costly labour intensive and paper-based processes;
- speedier order fulfillment resulting from immediate supplier payment;
- empowerment of employees;
- reduce the need for petty cash; and
- to avoid employee out of pocket expenses for business purposes.

Corporate credit cards are not intended to avoid or bypass appropriate purchasing or payment procedures, but to complement existing procedures. Corporate credit cards are issued to the General Manager and Department Managers. Credit cards issued to other Staff will be approved by the General Manager based on a recommendation by the respective

Department Manager. Credit limits for all cards will be determined by the General Manager.

Each credit card has a unique number and will be issued both in the name of the Mississippi Valley Conservation Authority and the name of the employee who has been authorized to use the card. The card is not transferable to, or to be used by, any other person including other employees.

**Cardholder responsibilities include:**

- Using the credit card in accordance with the guidelines set out in this policy.
- Security of the card and ensuring that documents bearing the card number are kept in a secure location with controlled access.
- Taking every precaution to avoid unauthorized use of the card. The credit card number must not be faxed or emailed at any time and the credit card number is only to be provided for internet purchases if it is known to be a secure site.
- The cardholder must immediately notify the Treasurer if the credit card is lost or stolen.
- Obtaining original receipts for each purchase.
- The Cardholder is responsible for the vendor search and selection, product/service specification, quality, quantity, price negotiation and resolving any problems arising from the purchase including returns and disputed charges.
- Upon transfer of position with the Conservation Authority or termination from the Conservation Authority, the cardholder shall return the credit card to the Treasurer for immediate cancellation of the card.

**DISPOSAL OF SURPLUS GOODS**

The General Manager or designate shall have the authority to sell, exchange or otherwise dispose of goods declared as surplus to the need of the MVCA and where it is cost effective and in the interest of the MVCA to do so, items or groups of items may:

- Be offered to other public agencies.
- Be sold by external advertisement, formal request, auction or public sale.
- Be advertised internally to employees for sale and sealed bids will be received with award to the highest bidder.

Obsolete or surplus goods may 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.

A reserve price may be established where it is deemed appropriate.

The disposal of goods must be in accordance with current environmental procedures and in a

responsible manner. A recommendation for safe disposal shall be obtained from the MVCA's Joint Health and Safety Committee prior to disposal of hazardous materials.

In the event that all efforts to dispose of goods by sale are unsuccessful, the Property Manager will be directed to dispose of such items in an appropriate manner and document the disposition.