



VILLAGE OF FRUITVALE POLICY MANUAL

POLICY 2.05

PURCHASING POLICY

The Administrator is responsible for the control of purchasing within the policy as established by Council, and always keeping the best interests of the taxpayer in mind.

OBJECTIVES:

The primary objectives of the Purchasing Policy are:

- to ensure any contract for work is subject to principles of fairness and economic reason, and clearly understood by users and bidders;
- to obtain a product or service, recognizing that value represents a combination of quality, service and price;
- to support the local economy, where reasonable;
- to assure the principles of competitive purchasing and cost-effective decisions in a timely and proper manner;
- to promote good will and clear communication in Village supplier relations.

PROCUREMENT POLICIES:

Purchasing contracts with Village employees, Council members, or members of their immediate families will be entered into only with prior approval of Council.

It is the responsibility of all employees to follow the Purchasing Policy of the Village of Fruitvale. Improper purchases will be the personal responsibility of the employee making the commitment and the Village reserves the right to recover from the employee as may be required or to effect other disciplinary action considered appropriate.

SUPPLIER AND VENDOR RELATIONS:

Frankness, respect and fair dealing comprise the cornerstones for strong and lasting relationships with suppliers and vendors. Salespersons will be received as promptly and courteously as time permits. During negotiations, quotations received from one supplier will not be divulged to another. All unsuccessful bidders should be advised as to the disposition of their written quotation or bids if quotations and bids were sought from suppliers.

I. SELECTION OF SUPPLIER:

The selection of the supplier shall be based on the following criteria:

- I. lowest acceptable price;
- II. acceptable quality and performance capability;
- III. the quality of performance of previous contracts, orders or services;
- IV. ability to meet all regulations and requirements;
- V. local preference when all other criteria are met.

PURCHASE ORDERS & PETTY CASH VOUCHERS:

**All purchases are required to be done with purchase orders.

**All purchases orders are required to have two (2) signatures. One of the signatures must be the Public Works Foreman, Financial Assistant, or the Administrator. In the absence of the Public Works Foreman, one of the signatures must be the Administrator. In the absence of the Administrator, the second signature shall be the Mayor.

Purchases of up to \$25.00 may be made through the use of petty cash. All petty cash vouchers shall be numbered before issuance, shall be signed by the individual making the purchase, and retained by the Administrator as documentation for replenishing petty cash. Receipts for purchases shall be signed and coded and submitted to the Administrator to be attached to the corresponding petty cash voucher.

SERVICE CONTRACTS, RENTALS, LEASES:

The decision to buy, lease or rent shall be based on the principle of best value. All contracts, rentals or leases with an annual value up to \$25,000.00 shall be approved by the Administrator. All contracts under seal or in excess of \$25,000.00 annual value or 12 month term must be approved by Council.

STANDING PURCHASE ORDERS:

Where, in the opinion of the Administrator or the Works Foreman, greater efficiency will result through the purchase of a particular commodity or service from one supplier, a Standing Purchase Order may be issued to cover such purchases in any given year.

QUANTITY BUYING:

The Village may seek partners or join with other agencies to participate in quantity buying in order to maximize purchasing power.

COMPETITIVE PURCHASING:

At least three competitive bids should normally be solicited for supplies or service where it is economically reasonable. Contractors or suppliers providing satisfactory performance may be re-contracted, but market rates shall be ascertained through public tendering at least every five years.

Public advertising or formal tenders are to be used for supplies or services with an estimated cost over \$40,000.00.

TENDERING:

The recommended procedures and guidelines for tendering contracts must follow the principles of the Southern Interior Construction Association.

The process should be utilized for purchases of goods or services in excess of \$40,000.00 including:

- a) Construction projects
- b) Capital purchases;
- c) Major annual supply contracts (e.g. gasoline, gravel, etc.);
- d) Major equipment leases or rentals.

CONSTRUCTION CONTRACT TENDERS:

All construction contract tenders that exceed an estimated cost of \$500,000.00 are expected to include Local Hire Requirement and Fair Wage Preference.

1. Local Hire Requirement

All contractors bidding on construction contracts tendered by the Village of Fruitvale for municipal works are expected to meet a Local Hire Requirement. Other than management personnel, qualified applicants who have established residence for a minimum of 6 months residing within a radius of 100 kilometers of the Village of Fruitvale boundaries shall be hired, before applicants from outside the 100 kilometer radius zone.

2. Fair Wages Preference

Council encourages the objectives of fair wages, and the use of workers with proper trades, professional and other qualifications for Village construction projects.

DISPOSAL OF SURPLUS EQUIPMENT:

Village assets that are surplus or not required for any specific project may be offered for sale through an open and fair process, with advertising costs appropriate to the estimated value of the goods. Council will authorize any sale upon recommendation of the Administrator.

GIFTS AND GRATUITIES:

Village employees and Council members are expressly prohibited from soliciting or accepting a rebate, money or costly entertainment, gift or gratuity (excepting minor mementos and novelties of nominal value) from any person, company, firm or corporation to which any purchase order or contract is, or might be awarded. The Village will not tolerate circumstances that produce, or reasonably appear to produce, conflicts between the personal interests of an employee and the interests of the Village.

The Village may take disciplinary action, including dismissal, against a Village employee who solicits or accepts gifts or gratuities of value that may appear to compromise the Village's position, legal rights or quality and quantity of materials and services.

*Adopted by Council at their November 1, 1999 regular Council meeting.
**Amended by Council April 4, 2005

Mayor

Certified Correct:

Administrator