

## **Procurement of Goods and Services Policy**

**Authority:** Library Board

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### **Purpose**

The purpose of this policy is to set out guidelines for the East Gwillimbury Public Library (EGPL) to ensure that all purchases of materials, supplies and services provide the lowest costs consistent with the required quality and service.

The purchasing policy will promote and maintain the integrity of the purchasing process and protect Board, vendors and staff involved in the process by providing clear direction and accountabilities.

### **Policy**

It is the policy of EGPL that procurement of goods and services be undertaken in a way that provides the best value for the Library in terms of optimal balance of quality, performance and cost; uses open, accountable, objective, fair, effective and efficient processes; complies with all applicable legislative requirements; and follows acceptable industry practices in its procedures and practices.

The Library is committed to making its services and environment accessible to people with disabilities. As such, the Library shall incorporate accessibility criteria and features into purchasing specifications when procuring or acquiring goods, services, or facilities. The Library will document when it is not practicable to include accessibility criteria and features and make those reasons available upon request.

### **Scope**

This policy covers the procurement of all goods and services by the East Gwillimbury Public Library Board (the Library Board) (as defined in section 1 of the *Public Libraries Act*), Chief Executive Officer and all employees of EGPL on behalf of the Library including, but not limited to, the following:

- Goods including collections materials and collections processing supplies, computer hardware and software, furniture and equipment, office supplies, facility preventative maintenance and repair products (such as electrical and plumbing supplies), construction and building materials
- Professional and Consulting Services including financial, strategic management, architectural, engineering, information technology, environmental, human resource management, and security
- Construction and Facility Services including construction and maintenance.

### Assumptions

The Library's Procurement Policy and procedures is in support of and in accordance with EGL's Mission, Vision and Values.

The Library's Procurement Policy and practices will not be inconsistent with the principles of the Town of East Gwillimbury's Procurement By-law and policies.

When planning purchases, the standardization of equipment/furnishing will be facilitated wherever possible.

The Library will have consideration for protection of the environment in accordance with the Municipality's Thinking Green initiative and will allow prospective bids to offer a "Green Solution".

All purchases will be made in compliance with all relevant statutes and regulations. EGL procurement policies, processes and procedures will be developed and implemented under the authority of the *Municipal Act*, *Municipal Conflict of Interest Act*, and *Access for Ontarians with Disabilities Act*, *The Integrated Standards Regulation – 191/11*, and the *Public Libraries Act*.

### Guiding Principles

EGL will make procurement decisions using an open, accountable, objective, fair, effective and efficient process and by adopting standard approaches to:

- Selecting the appropriate type of procurement process to be used; (as detailed in Appendix B)
- Conducting the procurement process including the structure, format and general content of procurement documents;
- Communicating with bidders throughout the process;
- Evaluating submissions;
- Dealing with bidders' queries and complaints;
- Providing unsuccessful bidders with feedback, upon request;
- Awarding the contract;
- Maintaining records of the procurement process; and
- Maintaining records on the successful bidder's performance under contracts.

## Accountability

### Authority

Overall financial authority for the Library rests with the Library Board, with expenditure requirements being established through the annual operating and capital budgets. The Chief Executive Officer, or Deputy CEO, acting as the Treasurer of the Library Board, has the authority to commit and expend funds, in accordance with the approved budget and the provisions outlined in this policy statement.

The CEO may delegate authority to Deputy CEO staff to act for EGPL in the procurement of goods and services in accordance with Library Board policy and procedures.

The Library Board empowers the CEO to establish procurement procedures required to enact the policy and processes.

The Library Board and the Town of East Gwillimbury Council approve annual budgets composed of operating and capital segments:

- For Operating Budget Purchases:  
Purchases totaling up to 50% of the prior year's budget for goods and/or services may be authorized in advance of budget approval under the authority of the *Municipal Act*. Each purchase shall be authorized by the CEO or his/her Deputy CEO. All purchases, whether before or after budget approval, shall follow the acquisition and approval process.
- For Capital Budget Purchases:  
Individual capital purchases (or leases) needed in advance of Council's budget approval may be purchased only in an "emergency" as defined herein; or if previously approved by the Library Board, by special request for consideration of an individual item by Council. Once that approval is given or once the annual budget is approved, individual capital purchases shall follow the acquisition and approval process.

Note: Reports to the Library Board, after budget approval, will only occur if the cost resulting from the request for tender or proposal is higher than the approved budgetary appropriation.

**Right to Reject**

1. The Library reserves the right to reject any and all submissions in a procurement process.
2. The Library may, in its absolute discretion, reject a quote, tender or proposal submission by a bidder if the bidder, or any officer or director of the bidder is or has been engaged, either directly or indirectly through another corporation in a legal action against the Library, its appointed officers and employees in relation to any other contract or service or any matter arising from the Library's exercise of its power, duties or functions.
3. In determining whether or not to reject a quotation, tender, or proposal under this clause, the Library will consider whether the litigation is likely to affect the bidder's ability to work with the Library, its consultants and representatives, and whether the Library's experience with the bidder indicates that the Library is likely to incur increased staff and legal costs in the administration of the contract if it is awarded to the bidder.

**Award of Contract**

The exercise of authority to award a contract is subject to the identification and availability of sufficient funds within the approved EGPL budget.

The CEO is authorized to execute formal agreements and contracts on behalf of the Library and may delegate this authority depending on scope, value and impact of contracts or purchases.

**Signatures**

The signature of either the CEO or Deputy CEO shall be sufficient for all agreements to purchase, lease or contract for goods and services under \$25,000, and all grant applications under \$25,000.

Signing authorities shall be the Chair, Vice Chair, CEO and Deputy CEO.

Signatures of two signing authorities are required for all legal documents including, but not limited to, Minutes, annual audited statements and withdrawal of funds from Trust Accounts.

**Employee Compliance**

All EGPL employees shall comply with the procurement policy, processes and corresponding procedures to ensure that employees who are responsible for the requisitioning and purchasing of goods, and/or services are accountable for and competent in their decisions and actions.

**Conflict of Interest**

No employee or member of the Library Board involved in the procurement of goods and services shall have any pecuniary interest either direct or indirect in any contract, tender, proposal, or quotation for the supply of such goods or services to the Library.

**Business Gifts and Hospitality**

To preserve the image of the Library, business gifts other than items of small intrinsic value should not be accepted by employees or Library Board members (see *EGPL Code of Conduct*). Reasonable hospitality is an accepted courtesy of a business relationship.

The frequency and nature of gifts or hospitality accepted should not be allowed whereby the recipient might be or might be deemed by others to have been influenced in making a business decision as a consequence of accepting such gifts or hospitality.

**Spending Authority**

No contract shall be entered into and no expenditure shall be authorized or incurred unless the Board has provided funds for such purpose in the annual estimates or agreed to the provision of such funds.

**1. Board Authority**

The Library Board will approve all acquisitions greater than \$75,000 in value regardless of the type of procurement process undertaken.

**2. CEO Authority**

The CEO is authorized to approve, or delegate the approval of, all acquisitions up to \$75,000 in value.

In the case of the multi-year supply and/or service contracts/leases, the expenditure limits shall apply to the estimated annual expenditure under the contract.

**3. Emergency acquisition**

Where in the opinion of the CEO an emergency has occurred, the CEO may approve and enter into a contract in relation to a non-competitive acquisition of goods or services required where the estimated cost does not exceed \$100,000 (exclusive of HST). Any purchase order issued under such a circumstance shall be reported to the next full meeting of the Board. An emergency is defined as a situation where it has been determined that a threat to life or property exists.

**4. Procurement of Collection Materials**

Procurement of the Library collections is a continual and complex process, requiring use of highly specialized vendors, of which there are few. The principles of the Policy are respected in this process. Review of this particular procurement process will occur as part of ongoing financial management, which continually strives to achieve cost efficient and service effective practices, as well as to minimize risk.

**5. Corporate Credit Card**

Corporate credit card use shall be as prescribed by Corporation of the Town of East Gwillimbury guidelines for use.

Levels of spending authority are detailed in Appendix C. Exceptions to this policy are listed in Appendix D.

**Types of Procurement Processes**

See Appendix B attached.

**Disposal**

Disposal of surplus or obsolete equipment shall be the responsibility of the CEO and shall be disposed of by a means determined below.

**List to Other Departments** – disposal if not otherwise useful

Where a Supervisor determines that any goods should be declared surplus due to being obsolete, worn out or no longer being useful for the end user department, a list of such goods shall be made available to Senior Management Team for the purpose of circulation to other departments. If they are not required by any other department, then the goods may be declared surplus by the CEO.

**Surplus Goods** – disposition

Arrangements may be made for the disposal of the goods in any way that is believed will provide the highest return to the Library including, but not limited to:

- donating or selling the goods for a nominal fee;
- public auction;
- trade-in as part of the acquisition of other similar goods being acquired by the Library; or
- classifying as waste and scrapping, dismantling, destroying and/or disposing.

The Library is committed to meeting the needs of patrons with disabilities and will provide, upon request, alternate formats and communication supports, in compliance with the *Integrated Accessibility Standards Regulation, Ontario Regulation 191/11* and the *Accessibility for Ontarians with Disabilities Act, 2005 (AODA)*.

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## Appendix A: Definitions

**“Best Value”** means: The optimal balance of quality, performance including delivery precision and cost determined in accordance with a pre-defined evaluation plan. Best value may include a time horizon that reflects the overall life cycle of a given asset.

**“Bid”** means any written response from a bidder to any type of procurement process issued by Richmond Hill Public Library, containing all information submitted in response to the requirements of the process.

**“Bidder”** means a person, company, or organization that submits a bid in response to any type of procurement process.

**“Contract”** means any formal or deliberate written agreement for the purchase of goods and services.

**“Goods”** means collections, supplies, computer hardware and software, furniture and equipment.

**“Procurement”** means the acquisition of goods and/or services required to provide the services and execute the operations of the Library.

**“Services”** includes financial, strategic management, information technology, and human resources management.

**“Supplier”** means any individual or organization providing goods or services to the Library.

**Appendix B: Types of Procurement**

<b>Type of Procurement</b>	<b>Definition and Application</b>	<b>Authority</b>
<b>Request for Quotation</b>	<p>An informal request for prices, in writing, for goods and services where the cost does not warrant the time and level of effort required for a formal tender process and where;</p> <ul style="list-style-type: none"> <li>• The requirement(s) can be fully defined; and</li> <li>• The value of the purchase package is less than \$100,000; and</li> <li>• Maximum value for the Library can be achieved by an award selection made on the basis of the lowest bid that meets specifications.</li> </ul>	<p>Department Manager, Coordinator Business Operations, IT &amp; Digital Experience Librarian approves within assigned area of accountability and approved budgets</p>
<b>Request for Tender</b>	<p>A formal bid solicitation where;</p> <ul style="list-style-type: none"> <li>• The requirement(s) can be fully defined; and</li> <li>• The value of the purchase package is \$100,000 or more; and</li> <li>• Maximum value for the Library can be achieved by an award selection made on the basis of the lowest bid that meets requirement(s) of the tender.</li> </ul>	<p>CEO or Deputy CEO approves contracts of up to \$75,000 Contracts over \$75,000: Administration handles process and makes a recommendation to the Library Board; Library Board approves</p>

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<p><b>Request for Proposal</b></p>	<p>A formal invitation to suppliers to describe how their services, methods, equipment or products can address and/or meet the needs of the Library. It is used when a bidder is invited to propose a solution to a problem, requirement or objective and where</p> <ul style="list-style-type: none"> <li>• The need is best described in a general performance specification; and</li> <li>• Innovative solutions are sought; and</li> <li>• Maximum value can be calculated using detailed requirement(s) that permit the evaluation of proposals against clearly stated criteria and specifications.</li> <li>• Maximum value for the Library can be achieved by an award selection not made solely on the basis of the lowest dollar value that meets requirement(s) of the proposal.</li> </ul>	<p>CEO or Deputy CEO approves contracts of up to \$75,000 Contracts over \$75,000: Administration handles process and makes a recommendation to the Library Board; Library Board approves</p>
<p><b>Type of Procurement</b></p>	<p><b>Definition and Application</b></p>	<p><b>Authority</b></p>
<p><b>Sole Source</b></p>	<p>A sole purchase occurs when there is only one available supplier of a required product or service that meets the need(s) of the Library. It may occur in the following situations:</p> <ul style="list-style-type: none"> <li>• The specifications of a product or service are so specific that its purchase is limited to only one source of supply;</li> <li>• Competition is precluded due to the application of legislation or because of patent rights, copyrights, technical secrets or controls of raw material;</li> <li>• The required goods and services are reasonably available from only one source by reason of the scarcity of supply in the market;</li> <li>• There is an absence of competition for technical or other reason;</li> <li>• The requirement is for a utility for which a monopoly exists;</li> <li>• The required goods and services are to be supplied by a particular vendor or supplier having special knowledge, skills, expertise or experience; or</li> <li>• The nature of the requirements is such that it would not be in the public interest to solicit competitive bids as in the case of confidential matters.</li> </ul>	<p>CEO or Deputy CEO approves contract values of up to \$75,000 Contract values over \$75,000: Administration handles process and makes a recommendation to the Library Board; Library Board approves</p>

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<p><b>Direct Negotiation</b></p>	<p>Unless otherwise provided in accordance with this policy, goods and services may be purchased using the “Direct Negotiation” method, only if one of the following conditions applies:</p> <ul style="list-style-type: none"> <li>• There is a need for compatibility with goods and services previously acquired and there are no reasonable alternatives or substitutes; or</li> <li>• An attempt to purchase the required goods and services has been made in good faith using another method and has failed to identify a successful supplier and it is not reasonable that a further attempt be made using a method other than direct negotiation; or</li> <li>• The total cost of the lowest bid is in excess of the funds allocated in the budget and that the changes required to achieve an acceptable bid will not change the general nature of the requirement described in the bid solicitation.</li> </ul>	<p>CEO or Deputy CEO approves contract values of up to \$75,000 Contract values over \$75,000: Administration handles process and makes a recommendation to the Library Board; Library Board approves</p>
<p><b>Type of Procurement</b></p>	<p><b>Definition and Application</b></p>	<p><b>Authority</b></p>
<p><b>Joint</b></p>	<p>Where the CEO determines that it is appropriate, feasible and advantageous to the Library, the Library will participate in a joint procurement process. The primary objectives of Joint Procurement are to take advantage of lower prices, reduced advertising costs and other economies associated with combining the procurement of services, materials, supplies and equipment through the joint competitive bidding process. Two or more local contracting agencies agree to jointly seek bids with respect to certain categories of purchases. The agencies identify in advance their respective specifications for services or goods to be bid. Contracts may be with the group or with participating agencies.</p>	<p>CEO</p>

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<p><b>Consortium</b></p>	<p>Where the CEO determines that it is appropriate, feasible and advantageous to the Library, the Library will participate in a purchasing consortium in order to leverage more value-added pricing from external suppliers than could be obtained if each organization purchased independently.</p> <p>The primary objective of Consortium Purchasing is to establish group purchase contracts for the financial benefit of its members by consolidated volume purchasing. An Agency represents a collective group of members to prepare formal bid specifications; advertise for, receive and evaluate bids on behalf of the collective; negotiate and award a master contract to the vendor providing for the collective needs and for the prices to be extended to participating members; notify the members of the contract awarded; and manage the execution of the contract. The Agency may be made up of all or some members of the collective acting on behalf of the group.</p>	<p>CEO</p>
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Type of Procurement	Definition and Application	Authority
<b>Emergency</b>	<p>Emergency procurement occurs when a situation creates an immediate and serious need which may not be reasonably met by any other procedure. Emergency procurement shall be used where there is:</p> <ul style="list-style-type: none"> <li>• Imminent or actual danger to the life, health or safety of the public, an official or an employee while acting on the Library's behalf;</li> <li>• Imminent or actual danger of injury to or destruction of real or personal property belonging to the Library;</li> <li>• An unexpected interruption of an essential public service or operation;</li> <li>• A spill of a pollutant as contemplated by the Environmental Protection Act RSO,1990, Chapter E.19; and/or</li> <li>• Mandate of a non-compliance order.</li> </ul>	<p>Where in the opinion of the CEO, or Deputy CEO an emergency has occurred, the CEO or Deputy CEO may initiate a requisition/ purchase order in excess of the preauthorized expenditure limit to a maximum of \$100,000. Any PO issued under such circumstances together with a source of financing shall be reported to the Library Board Chair and Vice Chair immediately and also to the next full meeting of the Library Board.</p>

### Appendix C: Spending Authority

Dollar Value	Authority	Examples of Procurement Process
0 - \$1,000	CEO, Deputy CEO, department Manager, IT & Digital Experience Coordinator Business Operations within departmental Budget	-Corporate credit card -Direct purchase -Cheque requisition; -Purchase Order
\$1,001 - \$10,000	CEO, Deputy CEO, department Manager, and IT & Digital Experience within departmental Budget	-Corporate credit card -Direct purchase - Cheque requisition; -Purchase Order
\$10,001 - \$50,000	CEO or Deputy CEO within approved budget	-Informal Request for Quotation/Tender/Proposal/ Information/ -Purchase Order
\$50,001 - \$75,000	CEO plus Additional Signing Officer	-Formal Request for Quotation/Tender/Proposal/ Information/ -Purchase Order
\$75,001+	East Gwillimbury Public Library Board	-Formal Request for Tender/Proposal; -As per CEO recommendation; -Purchase Order -Direct (Emergency) Purchase
<b>Note: All amounts exclusive of HST</b>		

Note: Splitting purchases to circumvent the above process is not permitted.

## **Appendix D: Exclusions**

This policy includes the purchase of all goods and services except for the following:

- Personnel services (wages, salaries and benefits);
- Training and education (conferences, registrations, courses, seminars, workshops, professional memberships);
- General expenses (licenses, real estate including land, buildings, items of a confidential nature, professional and special services including appraisal, medical, and freight charges);
- Utilities (water, sewage, gas, electricity, postage);
- Refundable employee expenses (travel, mileage, accommodation); and
- Petty cash items less than \$100.