



Memo

To: All Staff
From: Annalise Wentzell
Date: August 11, 2009
Subject: Purchasing Limit Changes

On August 10, 2009, Council approved changes to the purchasing limits. These limits had not been updated since 1992 and were causing a slow down in the purchasing process and required excessive staff time for operational departments and Finance. Following is a summary of the changes and their implications:

- **Purchases less than \$1,500 (low value) - no quotations required**
 - anything under this value can now be handled with a small purchase order as the limit has been increased to \$1,500
 - anything regarding small purchase orders is now being handled by Lisa Dorey, Accounts Payable
 - currently our small purchase orders have noted "Goods on this order not to exceed \$500.00". This will be corrected on the next print order but for the time being they can be used up to \$1,500. If there are any problems with the supplier regarding this, you can advise them to contact myself or Lisa Dorey to have clarified
- **Purchases between \$1,501 and \$10,000 - three quotations**
 - a large purchase order is still required. Documentation to be provided with the purchase requisition showing quotation values obtained
- **Purchases between \$10,001 and \$20,000 - three written quotations or proposals. Advertising on the Town's website required. Director of the Operational Department can award provided purchase is within budget and is being awarded to the lowest bidder, otherwise Council approval of award is required.**
 - Request for Quotes/Proposals should be advertised on the Town's website for at least a one week period. This can be coordinated through myself to have either a member in your department or Finance place the advertisement on the Town's website
 - a large purchase order is still required and the three written quotes from the suppliers are to be provided with the purchase requisition (signed by the Director), as well as, a copy of the advertisement on the Town's website
 - Council approval of award is not required if it is the lowest bidder and it is within the approved budgeted amount. If that is not the case, Council approval is required.
- **Purchases greater than \$20,000 - sealed tenders or requests for proposals. Council approval of award required.**
 - still following the same tender/proposal process except that the Department Director can sign the letter to be attached to the Tender package provided copies of both the letter and tender/proposal document are supplied to Purchasing

These changes will also affect the Public Service Commission as they follow the Town of Bridgewater's purchasing process. It is hoped that a review of the purchasing policy will be completed during this fiscal year, which will likely result in further changes. If you have any questions or concerns, please contact myself or Dawn Keizer, Director of Finance.

TOWN OF BRIDGEWATER
TENDERING POLICY AND PROCEDURES - PURCHASING

Policy No. 2
Approval Date: March 29, 1989
Resolution No. 89-118
Amended: September 14, 1992

POLICY

It is the policy of Council to provide maximum value for expenditures, and to be demanding but fair with our suppliers, evaluating them on the basis of quality, price and service.

Addendum
Sept.14/92

It is the policy of Council that there shall be no local preference.

PROCEDURES

- 1) All purchases are to be made in accordance with the following guidelines.
 - a) on purchases of up to \$1,000 without having to invite quotations.
 - b) on purchases of \$1,000 or more but not exceeding \$5,000 after inviting quotations from at least three known suppliers.
 - c) on purchases of \$5,000 or more after advertising for and obtaining sealed tenders. In an emergency situation or where there is an operating imperative for immediate purchase, tendering may be waived.

The dividing of purchases of like items to several individual purchases to avoid the above financial limits will not be authorized.

- 2) (a) All tenders for purchases over \$5,000 must be approved by Council.
(b) Where it is in the public interest items under \$5,000 may be tendered. The acceptance of the tender must be approved by the Town Manager.

Tender Calls

- 3) The department requesting a tender is to prepare written detailed specifications, and if necessary, meet with suppliers to clarify the requirements.
- 4) Specifications are to be delivered to the Town Clerk with a request to issue a tender call.
- 5) The Town Clerk shall appoint a date and time for closing of tenders and publicize the tender call. The Town Clerk will prepare all advertisements outlining details as given by the Department Head.

08/27/92

Page 2

Tendering Procedures - Purchasing

Receiving Tenders

- 6) When receiving tenders, it will be noted on the sealed envelope the date and time the tender was received and the person who received the tender.
- 7) All sealed tenders will be opened on the date and shortly after the time tendering expires and no sooner.
- 8) The Town Clerk or her designate, in her absence, will open all tenders.
- 9) There will be at least two witnesses present at the opening of all tenders who will each swear their presence and witness the opening of the specific tenders. Said witnesses should, when possible, be the purchasing agent and the department head responsible for the specific tender. All tender openings are open to the public.
- 10) Certification will be provided to the approval authority by the Town Clerk outlining all tenders received, their specific nature, date and time received, date and time opened, witnesses names, and certify it was received by the specified deadline, etc., as outlined on the attached "Tender Certificate" form.
- 11) Any tender not meeting the advertised deadline will be returned unopened to the tenderer..
- 12) Any tender not meeting the advertised specifications will be rejected. The tender must be legible and all items must be bid. Tenders which are incomplete, unbalanced, conditional, obscure, or which contains erasures or alterations not properly initialled, or irregularities of any kind may be rejected as informal or void.
- 13) It will be the responsibility of the department head requesting the tender to prepare a synopsis of the tenders received outlining the company tendering, prices, breakdown of specifications, and certification that the tender meets the specifications. As well the department head will give his or her recommendation to be submitted to Council for their consideration.
- 14) It shall be the responsibility of the Department Head to notify and advise all unsuccessful tenderers and have the purchase order issued to the successful bidder.