

THE CORPORATION OF THE MUNICIPALITY OF MAGNETAWAN

BY-LAW NO. 2013-12

Being a by-law to amend Procurement By-Law no. 2004-37

WHEREAS the Council of the Corporation of the Municipality of Magnetawan deems it desirable to amend the Procurement (Purchasing Policy) to increase (double) the thresholds set for acquiring goods and services;

NOW THEREFORE the Council of the Corporation of the Municipality of Magnetawan enacts as follows:

1. That section 5.1 be amended to read: **Small Order Purchases (\$0.00 to \$5,000.00)**
2. That section 5.2 be amended to read: **Quotation Purchases (\$5,000.01 to \$10,000.00)**
3. That section 5.3 be amended to read: **Tender/Bid Purchases (\$10,000.01 plus)**
4. That this by-law be effective on the date adopted.

Read a first time, second and third time and adopted June 12, 2013.



Mayor



Clerk

Council MTG. of June 12, 2013
Agenda Item # 6.1

shall be attached.

- 4.2.3 A Department Head may designate any or all responsibilities assigned to that position by this By-law.
- 4.2.4 The Department Head shall hereby be authorized to make purchases of goods and services as per Section 5 PURCHASING MECHANISMS.
- 4.2.5 In the case of equipment repairs and equipment rentals, Council shall authorize the Department Head to select vendors not solely on the basis of cost, but also on ability, quality or workmanship, service, availability, overall performance and experience, without first obtaining quotations.

5. **PURCHASING MECHANISMS**

The estimated expenditure value of the good and/or service requirement will determine the purchasing mechanism to be used as per the following:

5.1 **Small Order Purchases (\$0.00 to \$2,500.00)**

- 5.1.1 The Department Head shall be authorized to make small order purchases from vendors up to \$2,500.00.

5.2 **Quotation Purchases (\$2,500.01 to \$5,000.00)**

- 5.2.1 The Department head shall be authorized to obtain quotes for goods and services for estimated expenditures between \$2,500.01 and \$5,000.00 by requesting and obtaining three (3) quotes, wherever possible.
- 5.2.2 When the preferred Quotation exceeds the approved budget appropriation, the Department Head shall submit a report to Council for direction.

5.3 **Tender/Bid Purchases (\$5,000.01 +)**

- 5.3.1 The Department Head shall be authorized to obtain Tenders for goods and services for estimated expenditures exceeding \$5,000.00 by 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) tenders/bids shall be obtained. Where three (3) Tenders are not obtained, Council may accept only the Tender(s) submitted.
- 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 process:
 - 5.3.2.1 Purchases for services or for a program where services have been awarded to a consulting firm or a service provider on an on-going basis and when clearly identified in the Budget.
 - 5.3.2.2 Purchase of replacement parts where the Original Equipment Manufacturer (OEM) is the sole provider of that equipment (i.e. transmission for Champion road grader).

5.4 **Requests for Proposals**

- 5.4.1 The Department Head shall 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, i.e. the suitability of the deliverable is dependent upon the knowledge and expertise of a bidder (architects, engineers, consulting services, etc.).
- 5.4.2 When the preferred proposal exceeds the approved budget appropriation, the Department Head shall submit a report to Council for direction.
- 5.4.3 The Request for Proposal (RFP) should include, but is not limited to, the following:
 - 5.4.3.1 Introduction
 - including some general statements regarding the purpose of the RFP, general background information, historical data, etc.

Corporation of the
Municipality
of
Magnetawan

MEMORANDUM

Date: June 17, 2013

To: Heads of Department

From: Clerk-Administrator

Re: Amendment to Procurement By-Law no. 2004-37

At the regular meeting of June 12, 2013, Council adopted that attached by-law no. 2013-12 to increase the thresholds set for acquiring goods and services.

Council instructed the circulation of copies with a reminder that failure to obtain the required approvals or to comply with the Municipality's policy may invite a challenge.

This is for your information.



c.c. Mayor and Council



*Knowing our heritage
we will build our future.*