



**City of Summerside
Purchasing Policy
P-CS-01**
*Approved July 16, 2002
replaces policy approved August 16, 1999*

Policy

It is the Policy of the Council of the City of Summerside to establish procedures and guidelines under which City employees may obtain materials, supplies, and services of the greatest value based on quality, service, and price.

1.0 Specific Objectives

1.1 The objectives of this policy are to:

- a) purchase on a non-restrictive competitive basis and shall deal with all vendors in an open and courteous manner in keeping with the highest standards of business ethics.
- b) procure goods and services on the basis of quality, quantity, time, place, past performance and price. (Not necessarily on the basis of price).
- c) participate where it is beneficial with other levels of government and/or other local agencies in cooperative purchasing plans.
- d) abide by the Atlantic Procurement Agreement.

2.0 Responsibilities

2.1 The Financial Services Department is responsible for the management, organization and administration of a centralized purchasing system.

2.2 Authorization to purchase goods and service:

- a) up to \$ 250 may be approved by those persons designated in writing by the Department Heads.
- b) from \$ 250 to \$ 1,500 (before taxes) may be approved by Department Heads or those persons designated in writing by Department Head provided Approved Budget is available.
- c) above \$ 1,500 (before taxes) may be approved by the Department Head and the Chief Administrative Officer provided Approved Budget is available.
- d) any purchases not approved in the Budget must be approved by City Council prior to the expenditure being made.

3.0 Expenditures

- 3.1 For expenditures up to \$ 250 the City's Credit Card (Visa) may be used to obtain goods or services by those persons designated in writing by the Department Heads.
- 3.2 For expenditures between \$ 250 and \$ 1,500 (before taxes), Department Heads or those persons designated in writing by Department Head shall prior to issuing a Purchase Order obtain three telephone quotations or current catalogue prices. Quotations should be recorded and a copy be attached to the accounting copy of the Purchase Order.
- 3.3 For expenditures between \$ 1,500 and \$ 15,000 (before taxes) Department Heads or those persons designated in writing by Department Head must prior to issuing a Purchase Order invite a minimum of three suppliers to provide a sealed quote which will be opened in the presence of the Purchasing Agent. Quotations should be recorded and a copy be attached to the accounting copy of the Purchase Order.
- 3.4 For expenditures greater than \$ 15,000 formal tenders will be called. Tendering procedures are the responsibility of the Purchasing Agent and the procedures are outlined in the Tendering Policy.
- 3.5 There shall be no exceptions to the purchasing limits without prior written permission from the Chief Administrative Officer.

4.0 Local Preference

- 4.1 In an effort to support local businesses that pay taxes and support community causes the City will provide on purchases up to \$ 15,000, a 5.0% preference to businesses located in Summerside, and a 2.5% preference to businesses located in Prince County.
- 4.2 Where quotations are received from local and non local suppliers the City will reduce local bids by the appropriate percentage depending on residency for purposes of evaluation. The lowest evaluated price will be awarded the purchase.
- 4.3 To qualify for this preference a business must provide evidence when their quotation is submitted that:
 - a) it maintains a place of business by leasing or owning office, commercial, or industrial space or where applicable, residential space, in Summerside or Prince County on an annual basis for the primary purpose of operating the subject business, and
 - b) maintains a local manager, and
 - c) has been located in Summerside or Prince County for the past six months.

5.0 Sole Sourcing and Emergency Purchases

- 5.1 Every attempt shall be made to obtain competitive pricing, however, a sole source supplier may be used in the following instances;
 - a) There is a lack of responsible competition for a product or service which is vital to the operation of the City.
 - b) The product or service is unique and established as one of a kind.
 - c) The end use cannot be modified so that competitive products may be used.
 - d) There are patented or proprietary rights that fully demonstrate;

- i. a feature providing a superior use not obtainable from similar products.
 - ii. the product is available from only one prime source, and not merchandised through wholesalers, jobbers or retailers where competition exists.
- 5.2 Where an emergency occurs and in the opinion of a Department Head there is a imminent danger to life, health, the environment or property and such an emergency requires the immediate procurement of goods and services, the Purchasing Department and Department Head may purchase such goods and services as are necessary regardless of the amount of expenditure. When such purchases have been made, the Department Head, as soon as possible, shall notify the Director of Financial Services thereafter and prepare a report on the emergency to be forwarded to City Council.