

Lincoln Public Library Board
POLICY MANUAL

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1. Purpose

The purpose of this policy is to establish procurement guidelines for the Lincoln Public Library acquiring goods and services.

2. Application of the Policy

This policy shall govern the actions of all staff and Board of the Lincoln Public Library.

3. Policy Statement

The objectives of this policy are:

- i. To promote the most cost effective and efficient use of public funds and resources by acquiring specified goods and services at the optimum quality, quantity, price, delivery and performance.
- ii. To maintain an open and honest process that is fair and impartial.
- iii. To promote and maintain the integrity of the purchasing process and protect Board, staff and vendors involved in the process by providing clear direction and accountabilities.

4. Definitions

For the purposes of this Policy,

Acquisition – the process for obtaining goods and services.

Authority – the legal right to conduct the tasks as outlined in this policy.

Bid – an offer or submission received from a vendor, contractor or consultant in response to a request, tender or proposal that may be subject to acceptance or rejection.

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Bid Deposit – a financial guarantee to ensure the successful bidder will enter into the agreement.

Blanket Order – the agreement wherein a vendor will sell certain goods and/or services to the Library for a defined period of time at an established price, under set terms and conditions.

Board – the Lincoln Public Library Board

CEO – the Chief Executive Officer

Committee – a committee as designated by the Lincoln Public Library Board

Council – the Municipal Council of the Town of Lincoln Library

Designated Library Staff – a person designated by the CEO and/or the Board to exercise any or all responsibilities with respect to this policy.

Disposal – the selling, trading, assigning and/or scrapping of surplus assets.

Emergency Purchase – a purchase made in a crisis situation where immediate action is required to prevent the possible loss of life or property.

Format Bid – a sealed bid submission.

Goods – supplies, wares, merchandise, material and equipment.

Purchase order – a written offer to purchase goods and/or services.

Quotation – a competitive bid process for goods or services that is conveyed and received from bidders in a written format by e-mail, mail or fax.

Sealed bids – bids submitted in a sealed envelop to a specified location, by a specified date.

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Services – items such as telephone gas, water, hydro, janitorial and cleaning services, consultant services, legal surveys, medical and related services, insurance, leases for grounds, buildings, office or other space required by the Lincoln Public Library and the rental, repair or maintenance of equipment, machinery or other personal and real property.

Tender – a document that sets out particular specifications for the supplies or service required. This can also refer to an offer in writing to execute some specified work or to provide some specified articles at a specified rate.

Total Acquisition Cost – the sum of all costs, including such matters as purchase price, delivery, taxes, including warranties, local service facilities, life cycle costs, inventory carrying costs, operating and disposal costs incurred for determining the lowest acceptable bid meeting specifications.

Vendor – any person or enterprise supplying goods or services to the Town of Lincoln.

5. Purchasing Responsibilities

The Lincoln Public Library Board has authority for all library expenditures after budget ratification by the Town of Lincoln Council.

The Chief Executive Officer (CEO) shall be responsible for approval of accounts within the approved budget or any amendment as approved by the Library Board. The CEO may designate to the Deputy Chief Executive Officer or Coordinators (herein indicated as Designated Library staff) any or all responsibilities of this policy.

Staff reports requesting budget amendments, capital expenditures or special amendments shall contain purpose of expenditure, cost estimates or expenditure limitation and the applicable funding source.

6. Approval Levels

Unless otherwise approved by the Library Board, all purchases of goods and services must be approved in the annual budget. The ability to incur the actual

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expenditures is delegated to Library staff in accordance with the following approval levels:

- Up to \$1,000 - Library CEO
- \$1,001-\$10,000 – Library Chair or Vice Chair or Board Designate
- Over \$10,000 - Library Board

7. General Procurement Procedures

The following are the authorized procedure limits for the procurement of goods and services:

Procedure	Cost
Direct Purchase Process	\$1,000 or less
Quotation Process	\$1,001-\$10,000
Request for Tender	Greater than \$10,000
Request for Proposal	Greater than \$10,000

Dollar limits above refer to invoice cost exclusive of taxes, but inclusive of delivery charges. No requisition, purchase, or contract shall be divided in order to avoid the application of this policy.

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8.1 Direct Purchase Process

The Direct Purchase method shall be used to make small order purchases of goods and services up to \$1,000 from such vendor and upon such terms and conditions as the Director/Designate deems appropriate.

While a less formal purchasing procedure, Direct Purchase does not remove the obligation of the CEO or Designated Library Staff to obtain comparisons as to price and quality. Wherever reasonable, a minimum of three (3) comparisons should be sought and recorded in writing as part of the file.

Direct Purchase – Direct purchases should be made using one of the following methods:

- i. A purchase order if available
- ii. The supplier agrees to invoice the Library
- iii. Petty Cash

8.2 Quotation Process

The Quotation Process method will be used to make purchases of goods and services for estimated expenditures exceeding from \$1,001 - \$10,000 upon terms and conditions as the CEO deems appropriate.

A competitive process of a minimum of three (3) written quotes wherever possible are sought and the one with the lowest total bid is accepted. Bid documents and specifications (as applicable) can be issued and received by e-mail and/or fax transmission.

Where the total project budgeted expenditures exceed \$10,000 and where the preferred Quotation exceeds the approved budget appropriation by 10%, the CEO shall submit a report to the Board for direction.

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8.3. Request for Tender

The Request for Tender (RFT) process shall be used when:

- i. The cost of the goods or service exceeds \$10,000
- ii. The ability exists to detail exactly what is being purchased

The CEO or the staff member designated by the CEO is responsible for the preparation of the specifications section of the RFP and the completion of the appropriate approved standard template. The CEO shall review the documents prior to issuance of any RFT.

All RFTs must be advertised in accordance with this policy.

All bids will be received by the CEO in the form of a Sealed Bid and placed in a secure location until the time of opening.

Prior to the Award, CEO or Designated Library Staff shall be responsible for reviewing the bids to verify that there are no irregularities contained within the Bid and that all terms and conditions as outlined in the Bid Document have been satisfied at the time of opening.

The designated staff person will prepare a summary of the bids received by the specified deadline and recommend to the Library Board the bidder with the lowest total acquisition cost be awarded the contract. The said summary shall indicate the number of bids received, the name of the bidder for each bid and the respective amount and the recommended bidder for the award.

When the preferred Tender exceeds the approved budget appropriation, the CEO shall submit a report to the Library Board for direction.

8.4 Request for Proposal (RFP) Process

The Request for Proposal (RFP) process shall be used when the goods or services cannot be specifically stipulated or when alternative methods are being sought to

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perform certain function or services.

The CEO or Designated Library Staff shall prepare the Terms of Reference for the RFP and the CEO shall review the documents prior to issuance of any RFP.

All RFPs shall indicate the evaluation criteria that will be used to make an award. These criteria will include, but are not limited to, factors such as qualifications and experience, strategy, approach, methodology, scheduling, past performance, facilities, equipment and pricing. Weighting of the criteria will be the responsibility of the CEO or Designated Library Staff.

If the estimated expenditures for the goods or service **exceed \$10,000**, the evaluation criteria and process shall be approved by Board motion prior to the issuance of the Request for Proposal.

If the estimated expenditures for the goods or service not exceeding \$10,000,

The evaluation criteria and process shall be approved by the CEO prior to the issuance of the Request for Proposal. (Delete. Not in new Town Policy).

All RFPs shall be advertised in accordance with this policy.

The CEO or Designated Library Staff shall review all proposals against the established criteria, reach consensus on the final rating results and ensure that the final rating results, with supporting documents are kept in the respective procurement file.

The CEO or Designated Library Staff will prepare a summary of the proposals received by the specified deadline and recommend to the Library Board the bidder with the lowest total acquisition cost be awarded the contract. The said summary shall indicate the number of bids received, the name of the bidder for each bid and the respective amount and the recommended bidder for the award.

When the preferred proposal exceeds the approved budget appropriation, the CEO shall submit a report to the Board for direction.

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9. Blanket Order Contracts

Where goods and services of a similar type are supplied on a repetitive basis, from one or more suppliers, either over a period of time in a calendar year, or over the course of a season, those goods and services shall be purchased in accordance with the provisions of this policy. The CEO or Designated Library Staff will use the applicable bid mechanism based on the annual expenditure.

Blanket orders shall be issued for a specific time period with the CEO maintaining purchases within budget account allocations.

10. Purchase by Negotiation

The CEO or Designated Library Staff may purchase by negotiation with one or more vendors under which a formal bid process may be waived under the following conditions:

- i. When market conditions and, in the judgement of the CEO, the goods are in short supply.
- ii. When there is only one source of supply.
- iii. When two or more identical bids have been received, the CEO or Designated Library Staff may negotiate with the two lowest bidders, keeping all negotiations fair and ethical.
- iv. When the lowest bid meeting specifications exceeds the estimated costs by at least 10% and it is viable or in the best interest of the Library.

11. Exceptions

The CEO or the Designated Library Staff may request exemption for any or all the purchasing methods outlined in the policy by submission of a report through the CEO to the Library Board for a motion.

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2. Exclusions

Competitive Bids shall not be required for goods or services provided by any of the following, including, but not limited to:

- i. Utilities
- ii. Government agencies
- iii. Traveling expenses
- iv. Meals
- v. Conferences
- vi. Courses and Seminars
- vii. Memberships
- viii. Subscriptions
- ix. Medical Expenses
- x. Licences
- xi. Insurance
- xii. Payroll related remittances
- xiii. Community Grants
- xiv. Any other goods or services as approved by the Library Board

13. Advertising

Where effective in the opinion of the CEO, information regarding the bid document shall be advertised in the local newspaper and/or applicable publications necessary to comply with all existing statutory regulations. Any requirement exceeding \$10,000 must be advertised.

14. Tender Deposits

The CEO, in conjunction with any Designated Library Staff, will determine if a tender deposit will be part of the submission requirements.

Bid deposits are required to accompany bid submission for municipal construction projects in excess of \$100,000.

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The amount of the tender deposit, if required, will be no less than 5% of the estimated value of work prior to bidding or an amount equal to a minimum of 5% of the tender submitted to a maximum of \$50,000.

A tender deposit shall be provided in one of the following formats:

- i. A bid bond or an agreement to bond issued by a bonding agency currently licensed to operate in the Province of Ontario naming The Town of Lincoln as the obligee.
- ii. A certified cheque made payable to The Town of Lincoln.
- iii. An irrevocable letter of credit naming The Town of Lincoln as the beneficiary.
- iv. Money orders made payable to The Town of Lincoln.

The Library Board does not pay interest on any bid deposits.

All tender deposits must be original documentation, signed and sealed as appropriate. No faxed or photocopies will be accepted.

The Library Board is authorized to cash and deposit any tender deposit in the Library Board's possession that is forfeited as a result of non-compliance with any of the terms, conditions and/or specifications of a sealed bid.

15. Bonding Requirements

Performance, Labour and Material and/or Maintenance Bonds are required for all construction projects exceeding \$100,000 for a minimum of 100% of the bid amount.

All bonds must be originals, signed and sealed. No faxed or photocopies will be accepted.

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16. Insurance

The standard insurance minimums are as follows:

- \$2 million – general liability policy
- \$2 million – automobile liability policy
- \$2 million – homeowners (e.g. for leasing of facilities)
- \$2 million – professional errors and omissions liability
- Builder’s Risk – the amount of the project cost

All of the above minimums shall be per occurrence. The type of insurance required will be relevant to the goods, services or construction being purchased.

To maintain an adequate amount of protection for the municipality, the Library Board may request a higher insurance requirement on projects that expose the municipality to increased risk.

All bid documents must indicate the insurance requirements to be provided by the successful bidder.

The successful bidder must furnish the Library Board at his/her cost a “certified copy” of a liability insurance policy covering public liability and property damage for no less than the minimum amounts stated in above to the satisfaction of the Town. All subsequent policy renewals and certificates on insurance thereafter, during the term that the work s in force, shall be forwarded to the Library within sixty (60) days of their renewal date.

17. Administration

No contract or purchase shall be divided into two or more parts to avoid any requirement of this policy.

No contract for services shall be awarded where the services would result in the establishment of an employee-employer relationship.

Where an employee involved in the award of any contract has any direct or indirect

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interest, the employee shall:

- i. Immediately disclose the nature of their interest to the CEO, and the Board in the case of the CEO;
- ii. Not take part in the awarding of the contract;
- iii. Not attempt in any way to influence the award to the contract.

No personal purchases shall be made by the Library Board for employees or Board members, except through programs that are specifically approved by the Library Board.

The Lincoln Public Library Board may participate with other units of government, their agencies or public authorities in cooperative purchases ventures when the best interest of the Library Board will be served. When such participation is at variance with the Library Board's Purchasing policy, the Board shall first authorize any participation.

All invoices and accounts from vendors shall be authorized prior to payment. Authorization in the form of signatures of the CEO indicating clerical accuracy, budgetary or specific motion approval and indication that goods and services were received in good order must be in place. These required signatures are deemed to authorize payment.

Between the last regular meeting of the Library Board in any year and the adoption of budget estimates for the next year, the CEO/Treasurer is authorized to pay the accounts of any ordinary business transactions of the Library Board that are required to maintain services. This shall include the payment of accounts or previously approved capital items and projects.

18. Retention of Documentation

All background information, information submitted by vendors, purchase orders and other relevant information involved in obtaining prices for goods and services exceeding \$5,000 shall be retained in the Library for the entire budget year and five (5) years in records retention or such other periods of time as may be prescribed by the Library's records retention by-law.

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Purchasing Process Review

The CEO/ Designated Library Staff may randomly review Library departmental purchasing related files on an on-going basis to review the effectiveness and integrity of the processes and policy adherence.