

 <p>Town of SALISBURY</p>	POLICY	Department: Administration
	FINANCIAL MANAGEMENT & PROCUREMENT POLICY	
Effective Date: January 1, 2023		Last Reviewed Date: January 9, 2023

1. PURPOSE STATEMENT

The purpose of this policy is to:

- promote a consistent understanding of the authority, roles, and responsibilities of those with delegated purchasing authority in most situations;
- outline clear delegations of financial authority to enable effective financial management for the municipality;
- ensure financial accountability in the management of financial resources entrusted to the municipality;
- define the municipalities approach to procurement, pursuant to the provincial legislation and regulations;
- clarify roles and responsibilities to ensure adequate financial oversight and operational effectiveness.

2. DEFINITIONS

- **“Act”** means the New Brunswick Procurement Act, S.N.B, 2012, c.20;
- **“Authorized purchaser or signing authority”** means a municipal employee or representative with delegated authority to make financial transactions on behalf of the municipality, pursuant to this Policy;
- **“Chief Administrative Officer”** means the head of the municipal administration. The individual is the only employee who reports directly to Council “CAO”;
- **“Clerk/Treasurer”** means the employee appointed to oversee financial and accounting procedures and serve as the municipal Clerk, pursuant to section 74(1) and 76(1) of the Local Governance Act, SNB 2018, c.18.;
- **“Construction”** means, in the context of procurement, a construction, reconstruction, demolition, repair or renovation of a building, structure, road or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included as an incidental to the construction, and the installation and repair of fixtures of a building, structure, road or other civil engineering or

architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement;

- **“Goods”** means in relation to procurement, moveable property (including the costs of installing operating, maintaining or manufacturing such moveable property) and includes raw materials, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form, unless they are procured as part of a general construction contract;
- **“Purchasing Card(s)”** means any municipal and departmental credit card used for the purposes of regular purchases.
- **“Services”** means, in the context of procurement, all services including but not limited to printing, garbage collection, snow removal, janitorial services, studies, utilities, consulting, professional services;
- **“Unbudgeted expense”** means expenditures that are not included in the budget and are unplanned at the time of the budget being passed and approved by council.

3. PURCHASING THRESHOLDS

Purchasing thresholds outline the approval authority of budgeted expenditures. The following applies to expenses projected in the operating or capital budget, as approved annually by Council:

Total cost, excluding HST	Approving Authority
\$1-\$999	Employee
\$1000-\$9999	Department Head
\$10,000-\$29,999	Chief Administrative Officer
\$30,000+	Council

Pursuant to the CAO-Council Policy, the Chief Administrative Officer is permitted to authorize unbudgeted expenses of up to \$5000. All unbudgeted expenses exceeding \$5000 require authorization from Council before purchase.

Authorization is required for the purchase of all goods, services, or construction. Before goods are purchased, authorization must be provided by the appropriate authorized purchasing agent. Upon receipt of goods, the invoice must be signed by the appropriate approvers prior to payment. For all expenses over the \$30,000 threshold, the motion of Council serves as the proper authorization for the expense(s).

4. PURCHASING CARD(S)

- Approval thresholds outlined in this policy are also applicable to purchases made on purchasing cards.
- All purchases of goods and services must be accompanied by an original receipt outlining the product(s) purchased. Employees authorized for the purchase are required to sign the

original receipt and indicate the general ledger (GL) account for the charge to be reconciled to and in the event that the receipt does not provide a description, note the good that was purchased.

- In the event that the total amount, before taxes, exceeds the employees approval threshold, signature is required from the appropriate signing authority pursuant to this policy.
- Department Heads are responsible for ensuring their purchasing card receipts are maintained and provided to the Treasurer by the end of each month to reconcile with the appropriate monthly statement.
- Credit card statements, along with supporting approval documents, will be prepared by the Treasurer and submitted to the CAO for approval on a monthly basis before reconciliation occurs.

5. INVOICE AUTHORIZATION & PAYMENTS

- Department Heads are responsible for ensuring that goods and services are received prior to authorizing payments.
- All Vendor invoices should be sent to finance@salisburyynb.ca for payment. In the event that an invoice is sent to an employee and/or Department Head, it should be forwarded to finance@salisburyynb.ca to ensure payment.
- Employees authorized to approve expenses are required to provide their signature on the invoice to serve as approval that goods/services have been delivered and approved, and must indicate the appropriate general ledger (GL) for the invoice to be charged to.
- Cheques and/or EFT reports, along with supporting approval documents, will be prepared by the Treasurer and submitted to the CAO as required.

6. COMPETITIVE PROCUREMENT

Costs that exceed \$3000 are subject to competitive procurement practices.

Department Heads, in consultation with the Chief Administrative Officer as required, are responsible for determining the most appropriate method of procurement of goods, materials, supplies, and equipment based on factors such as cost, quantity, availability, etc.

The following indicates the bid solicitation and award process, based on cost(s) excluding HST:

- **Goods or services under \$3000:** can be charged to the corporate card(s), pursuant to the appropriate approval authorities;
- **Goods or services between \$3000 and \$10,000:** telephone quotations or request for quotes are to be sought with the basis of the award going to the lowest bidder;
- **Goods or services between \$15,001 and \$29,999:** bidding process to be determined by Department Head in consultation with the Chief Administrative Officer as required. The basis of the award will be pursuant to the Procurement Act;

- **Goods or services between \$30,000 and \$121,199:** bidding process to be determined by the Chief Administrative Officer in consultation with the Department Heads. The basis of the award will be pursuant to the Procurement Act and requires authorization of Council;
- **Goods or services exceeding \$121,200 or construction expenses exceeding \$100,000:** open, public competitive bidding process required as stipulated in the Act and requires authorization from Council.

While soliciting RFPs or using alternative procurement methods, a minimum of three (3) Vendors should be solicited where sufficient competition is available. In no circumstances can expenses be split or modified with the intent to avoid competitive procurement processes in this Policy.

7. SUPPLIERS & VENDORS

The municipality aims to provide transparent and fair bidding opportunities for municipal contracts and services, pursuant to the Act and this Policy. During the procurement process, tenders serve to notify prospective suppliers of the municipality's intentions to buy and are advertised on the New Brunswick Opportunities Network (NBON).

In the event of alternative methods of procurement, when official tenders are not required, vendors can be solicited or invited to bid by the municipality, or submit expression of interest. If a vendor(s) of a product would like to be added to a roster of prospective suppliers, they must send an overview of their products and/or services info@salisburynb.ca. This list is maintained by Administration. Inclusion on this list does not guarantee services with the municipality as contracts will be awarded pursuant to this Policy.

The municipality reserves the right to use a suppliers record of performance when evaluating the potential for the provision of good and services for the municipality.

It is in the best interest of the municipality to secure professional services with vendor(s) on a retainer basis and/or that enable long-term relationships with the municipality. The following are services amongst those deemed to favor the municipality when long-term relationships are maintained with vendors:

1. Legal services;
2. Insurance;
3. Banking and purchasing cards;
4. Auditing services;
5. Financial services;
6. Communications and public relations services (not campaign or project-specific);
7. Engineering services.

When vendor(s) are secured on retainer, the services should be put out for competitive proposals, suggested every five (5) years.

No bidder or potential vendor shall contact any member of municipal administration, included elected official(s), in attempt to influence the outcome of a contract award. Any attempt to influence the procurement process may result in the disqualification of the bidder on the project(s) that are deemed to have been influenced (or attempted to be influenced) by the bidder(s).

8. METHODS OF PROCUREMENT

Tender

A tender is considered a competitive bid document with detailed specifications and drawings, which is used to solicit pricing from Vendors and typically requires a performance surety. Tenders are awarded to the lowest Bidder meeting the specifications.

As outlined in the New Brunswick Procurement Act, procurement of goods or services in excess of the following amounts require public tenders:

Tender Type	Estimated Value	Minimum Advertising Time
Goods	\$121,200 or more	Ten calendar days
Services	\$121,200 or more	Ten calendar days
Construction	\$100,000 or more	Ten calendar days

Tenders may also be issued for projects under the threshold, if a tender is deemed the most appropriate method of procurement.

Request for Quotes (RFQ)

A request for quotation (RFQ) is when a quote from a supplier for the purchase of specific products or services is requested. RFQs generally means the same thing as Call for bids and Invitation for bid. The lowest bid that meets the specifications is awarded the contract.

Request for Proposals (RFP)

An RFP is an invitation where criteria other than just the price are used to evaluate responses and where the award is made based on the highest compliant score. Proposals are the bids received in response to RFPs. RFPs are generally used to purchase complex goods or services where the method of completing a project is usually left up to the suppliers Under tendering law, a Request for Proposals (RFP) is considered to be a tender.

Sole-Source

A sole-source contract award can occur when there is an inability to obtain competitive bids, as only one (1) Vendor possesses the unique ability or capability to supply a particular good or service.

1. The goods and services required are in short supply due to market conditions;
2. The goods and services are required without delay, such as repair(s) to protective services equipment;
3. The goods and services are required in light of an emergency situation;
4. The nature of the assignment or service is confidential and requesting quotes could jeopardize the confidentiality of the service;
5. The goods or services are required and/or being sought on a trial/pilot basis;
6. Following a competitive bidding process, no other bids were received or met the full specifications;
7. The Vendor(s) possesses unique ability to supply a particular good or service.

With approval from the CAO, using the Sole Source Request Form (Appendix A), this method can be used in the following circumstances:

1. Standardization of goods and services is required;
2. Compatibility with existing goods and services or facilities is a paramount consideration (ie: a good/service is compatible with an existing software and securing another product will require additional goods/services to be purchased);
3. The Vendor possesses unique or singularly available capability, experience, skills or knowledge to meet the requirements;
4. In an effort to facilitate and encourage supporting local, the particular vendor is the only vendor within the municipal limits or immediate area;
5. There is an inability to attain competitive bids, due to the aforementioned market conditions.

Emergency Purchases

An emergency purchase can warrant a sole-source award in consultation with a Department Head and when possible, in consultation with the CAO. An emergency means a present or imminent event that requires the coordination of actions concerning persons or property to protect the health, safety, and welfare of people or to limit damage to property or the environment. Such events generally occur due to fire, flood, water breaks, equipment repairs that could jeopardize level(s) of service, or unexpected infrastructure failure.

In light of repairs that are occasionally required to protective services equipment, such as fire trucks, repairs that are required and are in the best interest of safety of personnel and residents, are considered emergency purchases pursuant to this Policy.

In the event that an emergency purchase is required (including repairs to protective services equipment that may exceed other Authorizations in this Policy), the CAO and Department Head must report to Council at the next Council meeting upon the cessation of the emergency circumstance to provide rationale AND note the purchase(s) in the presentation of the following monthly statements.

Telephone Quotations

Telephone Price Quotations (and/or pricing comparisons with online vendors) may be utilized to expedite procurement of low value goods or services or where an emergency exists. Pricing shall be solicited and recorded from a minimum of three (3) Vendors where sufficient competition is available. In order to ensure due diligence, recorded quotations through this method of procurement must be approved by the Department Head.

9. SIGNING AUTHORITY

The following outlines the signing authority:

Item	First Signature	Second Signature
Cheques	Clerk/Treasurer OR Chief Administrative Officer (only when required)	Mayor OR Deputy Mayor (only when required/if designated)
Council Policies/By-laws	Mayor	Clerk
Formal intergovernmental agreements, service level agreements, or reciprocal agreements, contracts pursuant to spending authority limits	Clerk/Treasurer OR Designated individual under Local Governance Act	Mayor
Operational Agreements	Chief Administrative Officer	Department Head
Grant funding applications, grand funding agreements	Chief Administrative Officer OR Clerk/Treasurer	Mayor (if formal motion of Council is required)
Bank Account Authorization	Clerk/Treasurer	Mayor, through motion of Council

10. RESPONSIBILITY OF EMPLOYEES

- No employees are permitted to engage in any activity that may create, or appear to create, a conflict of interest. Such activities may include: accepting gifts or favours, providing preferential treatment to vendors, providing additional information or context during the competitive bidding process to only select vendors, publicly endorsing vendors.
- No municipal employee can use their employment and/or position with the municipality in the acquisition of goods and services for personal gain.

- Department Heads are responsible for ensuring that procurement within their service areas are made in accordance to this Policy.
- The Chief Administrative Officer is responsible for ensuring that organizational procurement practice are in accordance to the values of procurement and in alignment with application legislation and regulations.
- All employees and representatives making purchases on behalf of the municipality are required to ensure impartial, economical, cost-effective, fair/transparent, and lawful purchases pursuant to provincial legislation, the municipal purchasing policies and regulations in place, and in accordance to procurement and financial management best practices.



Sole Source Justification Request

REQUESTER INFORMATION

Requester: Click or tap here to enter text.

Requester Name and Title: Click or tap here to enter text.

Requester Department: Click or tap here to enter text.

REQUESTED SOLE SOURCE SUPPLIER

Company Name: Click or tap here to enter text.

Contact Name: Click or tap here to enter text.

Address: Click or tap here to enter text.

Description of Product or Services: Click or tap here to enter text.

Estimated cost(s): Click or tap here to enter text.

Account Number: Click or tap here to enter text.

Please select the circumstances in which the sole source purchase is being requested:

- This will standardize goods or services:
- This particular goods/service is compatibility with existing goods and services or facilities, which is a paramount consideration and could avoid additional cost or expenses in order to ensure compatibility with existing processes.
- The Vendor possesses unique or singularly available capability, experience, skills or knowledge to meet the requirements of the product or service.
- This product or service is only offered by a local vendor and will support the local economy;
- Competitive procurement is not possible due to market conditions outlined in the Policy.

Please provide additional information to justify the sole-source request, pursuant to the Financial Authorization and Purchasing Policy:

Signature of Department Head (if purchasing requestor is not Department Head)	Signature of Chief Administrative Officer (CAO)
DATE:	DATE: