



Municipality of Five Rivers

Policy P.02.02

Procurement

1. **PURPOSE.** To detail the standards, roles, and responsibilities regarding procurement in Five Rivers to ensure the responsible acquisition of goods and/or services.
2. **GOVERNING REGULATION.** The Municipality shall adhere to the following legislation:
 - 2.1. Procurement Act (S.N.B. 2012, C20) and Regulation 2014-93, and amendments.
 - 2.2. The Crown Construction Contract Act and Regulations.
 - 2.3. Any other applicable legislation or agreement that may be enacted by the Province of New Brunswick or Canada.
3. **DEFINITIONS.**
 - 3.1. "Accounting Clerk" refers to any municipal employee that enters accounting records for purchases in the Municipality's financial/accounting system.
 - 3.2. "Act" means the Local Governance Act 2017.c.18.
 - 3.3. "Budgeted Purchase" refers to the purchase of a good or service that was provided for in the Municipality's approved General Operating Budget or Utility Operating Budget; that is, a purchase that shall not result in an aggregate spend against its line item in the General Operating Budget or Utility Operating Budget that exceeds the total amount allocated to that line item.
 - 3.4. "CAO" means Chief Administrative Officer of Five Rivers.
 - 3.5. "Capital Budget" refers to any capital budget that Council approves for any period, including 5-year capital budgets for the Canada Community Building Fund (CCBF), formerly called the Gas Tax Fund.
 - 3.6. "Clerk" means the Clerk appointed by the Council of Five Rivers.
 - 3.7. "Construction" means 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, or seismic investigation, the supply of products and materials, the supply of machinery and equipment 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.

- 3.8. “Designated signing authorities” refers to the persons authorized to approve and sign off on expenses and expenditures for the Municipality. The Municipality has two primary signing authorities: the Mayor and the Treasurer. Whereas the Mayor is unable to sign off an expense/expenditure, the Deputy Mayor, with the Mayor’s express permission, may do so. Whereas the Treasurer is unable to sign off an expense/expenditure, the Assistant Treasurer, with the Treasurer’s express permission, may do so.
- 3.9. “Direct Deposit” means the electronic transfer of a payment directly from the account of the payer to the recipient’s account.
- 3.10. “EFT” refers to an Electronic Funds Transfer (EFT), a transaction that moves funds electronically between financial institutions, bank accounts, and individuals.
- 3.11. “Employee” refers to any person employed by the municipality of Five Rivers on a full-time, part-time, casual, or seasonal basis.
- 3.12. “Formal CAO approval” refers to a clear expression of approval by the CAO in writing or email to a specific request. For clarity, the CAO cannot express approval by verbal means only.
- 3.13. “GST” refers to the goods and services tax levied on goods and services sold or provided in Canada.
- 3.14. “HST” refers to the harmonized sales tax that is a blend of the GST and provincial sales taxes in New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, and Prince Edward Island.
- 3.15. “Member” means any person elected to the Council of Five Rivers.
- 3.16. “Municipality” refers to the Municipality of Five Rivers, which is comprised of the former village of Rexton, parts of the former Local Service Districts (LSDs) Harcourt and Weldford, and all of the former LSD Richibucto Parish.
- 3.17. “Operating Budgets” refers to the annual General Operating Budget and the annual Utility Operating Budget as approved by Council each year.
- 3.18. “Procurement” is the process of purchasing, renting, or leasing goods and/or services from a third-party supplier.
- 3.19. “Procurement Act” means the Procurement Act SNB 2012, c. 20.
- 3.20. “Unbudgeted Purchase” refers to the purchase of a good or service that was not provided for in the Municipality’s approved General Operating Budget or Utility Operating Budget; that is, a purchase that shall result in an aggregate spend against its line item in the General Operating Budget or Utility Operating Budget that exceeds the total amount allocated to that line item.

4. STANDARDS.

- 4.1. The Municipality shall procure goods and/or services in a fair and transparent manner that promotes trust and confidence among residents.
- 4.2. The Municipality shall procure goods and/or services in a manner that affords equal access to all qualified and interested suppliers.
- 4.3. The Municipality shall procure goods and/or services in a manner that is devoid of conflict of interest or bias.
- 4.4. The Municipality shall procure goods and/or services in a manner that complies with best practices in the public sector.
- 4.5. Where practical and advantageous, the Municipality shall consider cooperative purchasing with other municipalities, the Kent Regional Service Commission (KRSC), or Departments of the Provincial Government.
- 4.6. After adhering to all applicable rules and regulations of the Federal and Provincial Governments, Five Rivers shall seek to purchase from local, regional, and Canadian vendors, in this order as is practicable.
- 4.7. The total amount of a purchase shall be interpreted as the total pre-tax cost of the initial or one-time purchase under consideration, as well as the cost of any and all future purchases that the Municipality must make as a result of that initial or one-time purchase, for example, a subscription-based purchase or a recurring, multi-year purchase under contract.
- 4.8. For purchases of major assets, and in other cases as appropriate, cost estimates should present the total cost of ownership over the expected life of the asset, including known or foreseeable costs for warranty, insurance, operation, repair, maintenance, and so on.
- 4.9. Capital purchases funded by capital funds are subject to the same procurement rules as budgeted purchases in operating budgets according to this policy.
- 4.10. Original paper copies of credit slips, sales receipts, and invoices shall be secured and signed by purchasers and filed by the Accounting Clerk. Soft copies of credit slips, sales receipts, and invoices shall be attached to transaction records in the financial software system.
- 4.11. All purchasers shall obtain competitive quotes from qualified suppliers according to the value of goods and/or services to be purchased as follows¹.

# of QUOTES	GOODS	SERVICES	CONSTRUCTION
1	\$0 - \$2500	\$0 - \$5000	\$0 - \$10,000
2	\$2501 - \$5000	\$5001 - \$10,000	\$10,000 - \$75,000
3	\$5001 and above ²	\$10,001 and above ²	\$75,001 and above ²

¹ Due to timing, or the special nature of a required good or service, or the lack of qualified suppliers, it may not be possible to obtain the required number of quotes. In such cases, the CAO should be prepared to report the circumstances to Council.

² Above the stated figure, tendering shall apply as per the Procurement Act (S.N.B. 2012, C20) and Regulation 2014-93, and amendments.

- 4.12. Quotes from potential suppliers must be documented in writing via letter, fax, or email.
 - 4.13. To further support the quoting process, where possible, the Municipality should prepare a detailed purchase request or scope of work document for suppliers that details the goods and/or services to be procured.
 - 4.14. The Municipality shall follow all rules for tenders (including Requests for Proposal documents, or RFPs) as specified in the Procurement Act (S.N.B. 2012, C20) and Regulation 2014-93, and amendments thereto.
 - 4.15. Only the CAO is authorized to secure short-term financing (loans) from approved banking institutions on behalf of the Municipality and its Departments.³
5. SIGNING AUTHORITY.
- 5.1. The CAO shall be authorized to purchase budgeted goods and/or services having a total value of up to \$10,000 (exclusive of HST, GST, and other sales taxes) without the approval of Council. For all other purchases, the CAO must obtain Council approval.
 - 5.2. The CAO shall be authorized to purchase unbudgeted goods and/or services having a total value of up to \$5000 (exclusive of HST, GST, and other sales taxes) without the approval of Council. For all other purchases, the CAO must obtain Council approval.
 - 5.3. Each Fire Chief shall be authorized to purchase budgeted goods and/or services having a total value of up to \$2000 (exclusive of HST, GST, and other sales taxes) without formal CAO approval. For all other purchases, the Fire Chief must obtain formal CAO approval.
 - 5.4. The Manager of Public Works shall be authorized to purchase budgeted goods and/or services having a total value of up to \$2000 (exclusive of HST, GST, and other sales taxes) without formal CAO approval. Above this threshold, the Manager of Public Works must obtain formal CAO approval.
 - 5.5. All other municipal employees shall obtain formal CAO approval for all purchases.
 - 5.6. Where municipal employees, including the CAO, are not authorized to purchase, the CAO must make a formal presentation to Council. The presentation shall describe:
 - 5.6.1. the goods and/or services to be procured;
 - 5.6.2. why the goods and/or services are needed and how they will be used;
 - 5.6.3. when and perhaps where the goods and/or services are needed; and
 - 5.6.4. the estimated cost of the goods and/or services (where available, quotes or estimates shall be included).

³ Under provincial regulations, the total short-term borrowing of the Municipality for all departments cannot exceed \$10,000 at any one time.

6. PAYMENT.

- 6.1. The Accounting Clerk shall match invoices to the related quotes, estimates, purchase orders, and packing slips and forward them to the appropriate employee for payment approval.
- 6.2. Before authorizing payment, employees shall:
 - 6.2.1. ensure that the goods and/or services have been received in full and according to any related terms and conditions;
 - 6.2.2. return invoices and matching quotes, estimates, purchase orders, and packing slips to the Accounting Clerk;
 - 6.2.3. indicate the budget code that the purchase should be charged to.
- 6.3. The Accounting Clerk shall submit all cheques and supporting documents to the designated signing authorities for approval and signature.
- 6.4. Under the CAO's direction, the Municipality is authorized to issue credit cards to employees. The limits and usage of credit cards must align with the signing authority rules in this policy. To support reconciliation of the monthly credit card statement, purchasers shall obtain and submit their credit slips and online invoices to the Accounting Clerk (note that the slip turned in must be the original invoice, not the month-end credit card statement).
- 6.5. Under the CAO's direction, the Municipality is authorized to issue fuel cards. Their use is restricted to the provision of fuel only for municipal vehicles. The vehicle operator shall maintain credit slips and submit them to the Accounting Clerk for reconciliation to the related monthly statement.
- 6.6. Petty cash may be used for purchases under \$200 where it is not practical or possible to use a credit card or cheque. Petty cash is to be balanced as required but not less than once a month. Appropriate documentation shall be kept for petty cash purchases.
- 6.7. All payments by Electronic Fund Transfer (EFT) must be approved by the mayor or the mayor's designated signing authority in advance with supporting invoices, with the exception of staff and council salaries and wages, which may be paid by Direct Deposit (a type of Electronic Fund Transfer).

7. EXEMPTIONS.

- 7.1. If a purchase requires immediate action because the Municipality will face serious risk without it, the CAO is authorized to make an emergency purchase of up to \$20,000 (excluding HST and other taxes). In such cases, the CAO shall report the purchase to Council at first opportunity. For emergency purchases greater than \$20,000, the CAO must contact the Mayor to schedule an Emergency Meeting of Council.
- 7.2. As per the *Procurement Act*:
 - 7.2.1. services from engineers, architects, land surveyors, barristers and solicitors, accountants, and medical practitioners (doctors, nurses, dentists, pharmacists, veterinarians, and psychologists) are exempt from this policy;

- 7.2.2. if there is an absence of a viable alternative or substitute for technical reasons such as licensing or contractual obligations, those goods and/or services are exempt from this policy;
 - 7.2.3. if the goods and/or services can only be supplied by a particular vendor, those goods and services are exempt from this policy;
 - 7.2.4. cultural or artistic goods and services are exempt from this policy.
- 7.3. The Municipality may purchase salt, sand, stone, gravel, asphalt compound, pre-mixed concrete, or other like products and materials for use in the construction or the repair and maintenance of roads where technical, seasonal, logistical, or other considerations restrict the sources of supply.
8. EXCLUSION FROM PROCUREMENT PROCESS.
- 8.1. Notwithstanding the foregoing, any supplier of goods and/or services who fails to comply with any municipal by-law, regulation, or policy shall be excluded from future consideration as a supplier.
 - 8.2. If a supplier has been banned for non-compliance, the supplier can appeal to Council, after which Council may approve their reinstatement as a provider of goods and/or services to the Municipality.
9. PENALTY FOR NON-COMPLIANCE.
- 9.1. Any employee who violates this by-law may be subject to disciplinary action, at the discretion of the CAO, which may range from verbal and/or written warning to revocation of purchasing authority to termination of employment.
 - 9.2. Council may subject a CAO who violates this by-law to disciplinary action, up to and including termination of employment.

10. EFFECTIVE DATE.

March 10, 2026

DATE OF READING

11. SIGNATURES.

MAYOR

Tina Beers



CLERK

Rob Webber

