

## BY-LAW NO. 278

### A BY-LAW TO REGULATE PURCHASING, LEASING, TENDERING AND DISPOSAL OF SURPLUS PROPERTY, EQUIPMENT AND MATERIALS

Council of the Town of Sackville, under authority vested in it by the Local Governance Act, S.N.B. 2017, c. 18, hereby enacts as follows:

#### PURCHASING, LEASING AND TENDERING

1. This By-Law applies to every contract for the construction, repair or alteration of land, structures or equipment owned by the Town, to the purchasing and leasing of goods and services required by the Town, and the disposal of surplus property, equipment, and materials.
2. 1) In accordance with the Procurement Act of the Province of New Brunswick, where applicable every award of contract shall be preceded by public tender. Limits currently in place which require a tender as set out in Appendix "A". In some instances, the Chief Administrative Officer or designate may require a public tender when under these limits when it would be in the best interest of the municipality to do so to receive competitive pricing.
3. Every authorization to purchase, lease and/or tender shall be subject to a Council Resolution for approval when the value exceeds as follows:
  - a) in the instance of works other than Public Works (which includes Highways, Building Maintenance, and all Fleet Maintenance), Water and/or Sewer Work, \$10,000.00;
  - b) in the instance of Public Works (which includes Highways, Building Maintenance, and all Fleet Maintenance), Water and/or Sewer Work, **\$25,000.00**
    - a. Amounts and Limits above shall be per vendor.
    - b. Transactions shall not be broken down into separate invoices to avoid these limits with at least 60 days required between vendor purchases to reset the values.
      - i. Emergency Repair and Maintenance that exceeds any limits above may be authorized by the CAO or Treasurer provided electronic notice has been provided to Council.
    - c. All amounts noted shall include all applicable taxes and fees.

Where the limits noted above are not exceeded:

- c) The Chief Administrative Officer or Treasurer will assign from time to time, purchasing authorities to Department Heads or nominee as required for prudent operation of Municipal Departments.
  - d) Accounts Payable procedures relating to purchases shall be processed in accordance with Appendix "B"
  - e) Credit Cards for purchasing shall be provided to Managers in accordance with the rules set out in Appendix "C".
4. Public Tenders and their openings shall be done in accordance with the rules set out in Appendix "D" and/or the Procurement Act of the Province of New Brunswick to which if there are any conflicts the Act shall apply.

#### DISPOSAL

5. A decision as to what is surplus equipment or material will be made in joint consultation between the Department Head or designate and the Chief Administrative Officer and will be ratified by Council when the value exceeds \$1,000.
6. All surplus equipment or material, with a present estimated value over \$1,000.00, shall be either tendered or sent to an auction, and sold to the high bidder. When all bids received in accordance with the tender are rejected or no bids are received the items may be sold by negotiated private sale by the Chief Administrative Officer.
7. All surplus equipment or material, with a present estimated value of less than \$1,000.00, shall be disposed of by the Chief Administrative Officer in accordance with the following;
- a) The Chief Administrative Officer may dispose of by negotiated private sale rather than tender if beneficial to do so.
  - b) No ratification of Council is required for the sale of any item (excluding land) with a present estimated value of less than \$1,000.00.
8. All land sales must be authorized and approved by Town Council, in advance regardless of value.
9. All monies derived, from the sale of surplus equipment or material shall be deposited in either the Town of Sackville General Operating or Utility Operating Accounts based on item sold.

10. **By-Law # 150 and Accounts Payable Processing Policy is hereby repealed.**
11. **This By-Law comes into force on the date of final passing thereof.**

Read a First time this 8 day of March, 2021

Read a Second time this 12 day of April, 2021

Read a Third time and done and passed by Council this 12 day of April, 2021

  
\_\_\_\_\_  
CLERK

  
\_\_\_\_\_  
MAYOR

## Appendix "A" By-Law # 278

## Thresholds for Tenders being required

Goods	\$100,000
Services	\$100,000
Construction	\$100,000

Goods and Services as defined in the Procurement Act and Construction as defined in the Crown Construction Act.

In accordance with Section 58 of Regulation 2014-93 of the Procurement Act.

Any award of contract above the amounts (including taxes and fees) will require a tender through an open competitive bidding process unless exempt under the Act.

Minimum Advertising Time for open competitive bidding in accordance with the Act is 10 days not including the first day advertised or the last day closing.

## Appendix "B" By-Law # 278

## Accounts Payable Processing

- Local Purchase Order is to be done up for any purchase over \$100.00 (tax incl.)
  - These must be signed by the department head or designate for authorization
  
- Central Purchase Order is to be done up for any purchase over \$3,000.00 (tax. incl.)
  - These must be written up by the department head or their designate, given to the Treasurer or designate for signature and returned to department head prior to the order being placed. When possible, three (3) written quotes should be attached. In an instance where a purchase order is to be written which exceeds the allowable limit for purchasing without a tender; the Department Head shall ensure that the proper procedures were followed as outlined in the By-Law regulating purchasing.
  
- The following items do not need purchase orders attached:
  - Animal Control Contract
  - Bond & Coupon Payments
  - Furnace Oil Purchases
  - Grants & Donations
  - Legal Services
  - Manual Payroll
  - Pension Plan
  - Postage
  - Service & Lease Agreements
  - Travel Claims
  - Credit Card Payments
  - Any other payments in which the Treasurer has granted approval to be paid without the use of a purchase order.
  - Audit Fees
  - Electricity Bills
  - Gas & Diesel Fuel Purchases
  - Insurance Claims & Premiums
  - Life, Health & Dental Payments
  - Membership Dues
  - Petty Cash
  - Receiver General Payments
  - Telephone/Cellular Bills
  - Union Dues
  - Regional Service Commission
  
- Copies of the purchase order are to be given as follows:
  - White Vendor
  - Green Department Head - Keep in book
  - Canary Accounting Dept. Immediately after issuance
  - Blue Accounting Dept. Immediately after issuance
  - Pink Accounting Dept. after receiving goods (Include packing slips)

- All invoices are to be sent to Accounts Payable for processing.
- Electronic Invoices must be sent to [invoices@sackville.com](mailto:invoices@sackville.com) rather than an employee's personal email. This email is tracked by payables and management.
- Paper invoices are to come to Town Hall (Accounts Payable) in a timely fashion (daily if possible)
- No invoices once received by Accounts Payable are to leave Town Hall.
- Invoices are not to be broken down to avoid purchasing and purchase order limits in accordance with section 3 of the By-Law.
- Accounts payable will fill out and attach Invoice Transmittal for processing forwarding to each of the following people to be returned to Accounts Payable after each step:
  1. Department Head or designate will sign approving & verifying purchase
  2. Treasurer or designate will approve and invoice will be processed.
  3. If designate approves for Treasurer, an electronic copy of invoices over \$1,000 will be forwarded to Treasurer for Review.
  4. An electronic copy (pdf) shall be sent to Mayor and Council at the end of each month of Invoices over \$1,000.

#### Cheque processing

- A cheque run shall be done weekly where possible or as determined to be necessary by the Treasurer.
- The Treasurer will send out a notice of cheque run schedule and due dates to all managers at the beginning of each calendar year.
- Invoices that are not returned by the Department Head to Accounts Payable by the date listed on the notice of cheque run dates will not be processed until the next cheque run.

#### Manual Cheque Processing

- In order to limit the amount of Manual Cheque Processing the following procedure shall be implemented.
  - Manual Cheques shall be processed for the payment of the following items:
    - Bond & Coupon Payments
    - Manual Payroll
- In the event of extra-ordinary circumstances, a manual cheque may be done to receive the funds. Extra-ordinary circumstances shall be determined by the Treasurer and shall not include any item, which could have normally been processed through the normal cheque processing stage.

### Travel

- Travel Advances will not be issued for travel. All claims for travel related items will be completed after an employee returns from their prospective trip, conference, etc.

- No reimbursement on travel claim forms shall be approved without the proper documentation and receipts attached. Receipts shall be needed for any accommodations, bridge fare, toll fare, or other non-fixed rate items. No receipts are needed for mileage, meals, and other per diems.

- The following amounts are the rates for claiming fixed expenses, which may be amended at any time by resolution of council:

	Province of New Brunswick Rate
Mileage	
Breakfast	\$10.00
Lunch	\$15.00
Supper	\$25.00
Other per diem	\$11.00 where you are away from Town for more than four hours in the day.

- In the event a meal is provided, the above rates shall be claimed at 50% of the rate in order to allow an employee to undertake the purchase of their own meal (this is granted for the purpose of dietary constraints or other reasons the employee may be unable to eat the meal provided)

### Petty Cash/Cash Floats

- The Department Head shall be responsible for the overall administration of the petty cash and/or cash floats for their department.

- Petty Cash and/or cash floats shall be supplied to a department head or designate for the day-to-day operations of the department. The amount of petty cash and/or cash floats to be allocated to a department shall be determined by the Treasurer.

- A request to refill the petty cash shall be made to the Treasurer (Signed for approval) by a department when funds become low in the departments petty cash.

- No money shall be re-imbursed without full documentation (detailed receipts of what was purchased and not just a debit or credit slip) attached including receipts.

- All Petty Cash payments are to have a yellow petty cash reimbursement slip attached:

- This yellow slip must be signed by the person receiving the funds.

- Every yellow slip must be signed by a manager in the department.

- Meal Allowances for staff overtime are permitted to be paid through Petty Cash and must have the following included with them:

- Name of Employee

- Date of Overtime

- Start and End Time of Shift

- Amount Paid (with tax amount broken out)

- No purchase for more than \$60.00 (tax included) shall go through petty cash.

- No purchases shall be broken down to avoid the \$60.00 limit within petty cash.

- Cash floats shall only be used for the purpose of making change and shall be managed by the manager of the department provided to and shall be returned upon request by the Treasurer and/or when no longer required for the day-to-day operations.

## Appendix "C" By-Law # 278

## Credit Cards for Purchasing of Goods and Services

1. Credit Cards are a convenient tool to improve the efficiency of low dollar transactions, simplify the purchasing process, reduce paperwork, and reduce cycle times. Cardholders have the responsibility to the Town to ensure card security and appropriate use as per the below rules and individual card restrictions.
2. Misuse of a Town issued Credit Card or failure to comply with the terms set out may result in card suspension, termination and/or other disciplinary action.
3. Cardholders responsibilities include but are not limited to:
  - a. Completing Business Only related transactions
  - b. Obtaining Detailed Receipts for all transactions (not just credit slip)
  - c. Maintaining Card Security
  - d. Adhering to Credit Card and Procurement terms
  - e. Reconciliation of transactions in a timely manner
  - f. Advise Vendors that you are a Town employee in case corporate discounts apply.
  - g. Obtaining Signatures for Approvals
4. Application form, as attached to this Appendix, for a Credit Card shall be provided through the Manager responsible for the Department and forwarded on to the Treasurer for approval.
  - a. Individual requesting a Credit Card shall also sign the purchasing Cardholder Acknowledgement which must be included with the application form.
  - b. Once approved, the Treasurer will order a Town Issued Credit Card in the name of the approved individual.
5. Acceptable Business-Related Purchases
  - a. Books and Subscriptions
  - b. Membership/Registrations
  - c. Tools/Small Equipment
  - d. Short term rentals (less than 30 days)
  - e. Office Supplies such as pens, paper, pencils, flash drives
  - f. Advertising
  - g. Meals at Restaurants (Tips not to exceed 20% of value)
    - i. Meals must include, who was at meal and reason for paying meal
  - h. Purchases must be within your assigned transaction limit threshold
6. Unacceptable Purchases
  - a. Personal Purchases
  - b. Long term rentals (more than 30 days)
  - c. Alcohol, narcotics, and hazardous chemicals
  - d. Goods or Services from other officers or employees of the Town



- e. Cell Phones, Printers, Computers, and other devices unless approved by the Treasurer and only on the card issued to the Treasurer
- f. Entertainment
- g. Cash Advances
- h. Seminars, training, or professional services from outside Canada
- i. High Risk Merchants (ie. Pawn Shops, Second Hand Stores, Casino, Liquor stores)

#### 7. Declined Transactions

- a. If a transaction has been declined it is usually the result of these:
  - i. The purchase exceeds your single transaction limit
  - ii. The total monthly purchases has exceeded your monthly limit
  - iii. The Vendor is classified as a blocked industry code
- b. Should any of the above happen, a purchase order should be issued to complete the purchase or the use of an alternate vendor
- c. Attempts to get the vendor to split the transaction to avoid the single transaction limit is not permitted and may cause the loss of use of the card

#### 8. Additional Responsibilities of Cardholder

- a. To monitor their card for any possibility of fraudulent activity.
- b. To contact the supplier to have any fraudulent transactions reversed.
- c. To contact the issuing credit card supplier to have charges investigated.
- d. To notify the Treasurer immediately upon any activity that may be unauthorized or fraudulent transactions.
- e. To notify the credit card issuer and Treasurer immediately upon a lost or stolen card.
- f. Completing of Purchase orders relating to purchases that exceed the PO threshold noted in Accounts Payable Appendix to this By-Law.

#### 9. Limits and Authorities

- a. Single Transaction Limit of \$1,000.00 per transaction
  - i. Approval to exceed this single transaction limit shall only be granted by the Treasurer upon written request by the cardholder and written approval by the Treasurer (email can accommodate this request).
- b. Total Spending Limit of up to \$15,000 per account at any time, limit to be determined by Treasurer.

#### 10. Monthly Reconciliation

- a. The Card Owner shall be responsible for reconciliation within 5 business days of card statement being provided to them.
- b. The reconciliation shall be coded to the appropriate G/L by the Card Owner, breaking down appropriate tax.
- c. The reconciliation shall be sent to the Treasurer for final approval and in the case of the Treasurer's card to the CAO for approval.

## 11. Other Purchasing

- a. Where the Town has a charge account with a Vendor the charge account shall remain the preferred method of purchase, do not use the card where the Town has a charge account.
- b. Even though a lower price may be able to be received from an online vendor (ie. amazon) the employee should always attempt to purchase and find products locally first where the price is within a reasonable amount.

## 12. Other

- a. The issuance of a Town issued credit card is for convenience and the approval, suspension or revoking of use of a credit card by an employee shall be the sole direction of the Treasurer and/or CAO.
  - i. Violations shall be progressive and disciplinary action may be taken.
- b. Any violation of use shall be reported to the CAO by the Treasurer for appropriate action if necessary.
- c. The employee who is assigned the card shall be financially responsible for any transaction that occurs in violation of these terms for example:
  - i. Misuse of Card (where credit card company does not reimburse)
  - ii. Not including detailed receipts of transactions
  - iii. Lost receipts which prevent reconciliation
- d. Any cards issued in accordance with other policies or contracts shall be maintained and issued in accordance with those terms (ie. canteen contract)
- e. Upon termination of employment the purchasing card shall be returned to the Treasurer prior to employment ceasing.



This document outlines the responsibilities I have as a Cardholder of the Credit Card program at the Town of Sackville. My signature certifies that I have read and understood these responsibilities and that I agree to adhere to the policies and procedures established for the program.

1. The Credit Card is intended to facilitate the purchase of goods and services required to conduct Town of Sackville business. I understand that I am responsible for the custody, control and use of the Credit Card that is in my name.
2. I understand that the Credit Card is not to be used for personal use and that unauthorized use of the Card can be considered misappropriation of funds which could result in severe consequences for me and/or others responsible.
3. I understand that the Credit Card must be surrendered when I transfer to another department or on the termination of my employment. I may also be requested to surrender the Credit Card for reasons not related to my own personal situation, such as re-organization. I may also be asked to temporarily return the Credit Card when I am on an extended leave of absence.
4. I will maintain the Credit Card with appropriate security whenever and wherever I use the Card. If the Credit Card is lost or stolen, I agree to notify the Treasurer and issuing Credit Card agency immediately. I further understand that failure to report a stolen/lost Credit Card promptly could result in severe consequences for me and/or others responsible.
5. I understand that I will be required to obtain a copy of the detailed cash register receipt and packing slip for each transaction charged to the card. I also understand I will be responsible for reconciling these receipts with the monthly statement. I will resolve any discrepancies by either contacting the supplier, Credit Card agency or the Treasurer as appropriate.
6. I understand that I must forward the reconciled statement and receipts to the Treasurer by the date provided in terms noted in the By-Law.
7. I understand that all charges will be billed directly to and paid directly by the Town of Sackville. I understand that the Credit Card agency cannot accept payment from me directly.
8. I understand that the transactions on my Credit Card account will be reviewed by the Finance department and that I may be periodically asked to clarify these transactions for audit purposes.
9. I have read and agree to all the terms and conditions within the By-Law relating to Credit Cards.

Cardholder Name: \_\_\_\_\_

Department: \_\_\_\_\_

Cardholder Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Card Number: \_\_\_\_\_

Expiry Date: \_\_\_\_\_

This document outlines the responsibilities I have as a Cardholder of the Credit Card program at the Town of Sackville. My signature certifies that I have read and understood these responsibilities and that I agree to adhere to the policies and procedures established for the program.

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3. I understand that the Credit Card must be surrendered when I transfer to another department or on the termination of my employment. I may also be requested to surrender the Credit Card for reasons not related to my own personal situation, such as re-organization. I may also be asked to temporarily return the Credit Card when I am on an extended leave of absence.
4. I will maintain the Credit Card with appropriate security whenever and wherever I use the Card. If the Credit Card is lost or stolen, I agree to notify the Treasurer and issuing Credit Card agency immediately. I further understand that failure to report a stolen/lost Credit Card promptly could result in severe consequences for me and/or others responsible.
5. I understand that I will be required to obtain a copy of the detailed cash register receipt and packing slip for each transaction charged to the card. I also understand I will be responsible for reconciling these receipts with the monthly statement. I will resolve any discrepancies by either contacting the supplier, Credit Card agency or the Treasurer as appropriate.
6. I understand that I must forward the reconciled statement and receipts to the Treasurer by the date provided in terms noted in the By-Law.
7. I understand that all charges will be billed directly to and paid directly by the Town of Sackville. I understand that the Credit Card agency cannot accept payment from me directly.
8. I understand that the transactions on my Credit Card account will be reviewed by the Finance department and that I may be periodically asked to clarify these transactions for audit purposes.
9. I have read and agree to all the terms and conditions within the By-Law relating to Credit Cards.

Cardholder Name: \_\_\_\_\_

Department: \_\_\_\_\_

Cardholder Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Card Number: \_\_\_\_\_

Expiry Date: \_\_\_\_\_

## Appendix "D" By-Law # 278

## Public Tendering Guidelines

A Public Tender award of a contract to which this By-Law applies shall include:

- a) advertisement through the NBON Network as well as placed on our Municipal website.
  - b) sufficient information in the advertisement referred to in paragraph (a) to enable a prospective tenderer to obtain tender documents, deposit a tender and attend the tender opening; and
  - c) the opening of properly deposited tenders in public and the recording of the name and the tender price
1. 1) A person submitting a tender shall deposit the tender in the tender box, at the Town Hall within the time stipulated in the public notice of tender.
- 2) Responsibility for deposit, in the designated tender box, of a tender in the Town Hall within the proper time is that of the person submitting the tender and the Town assumes no responsibility for depositing within the proper time those tender submissions which have been mailed or left with employees of the Town.
- 3) Only those tenders deposited in the designated tender box at Town Hall will be considered.
- 4) A person or corporation submitting a tender may amend the tender submitted subsequent to the deposit of the tender in the designated tender box at Town Hall and prior to the time of opening of the tenders by:
- a) letter or fax sent by the person signing the original tender deposit;
  - b) depositing the letter or fax of the amendment in the designated tender box in the Town Hall prior to the close of the tender, and;
  - c) clearly identifying the project being tendered and the tender being amended on the face of the amending letter or fax.
- 5) An amendment of tender shall not disclose the amended total tender price but shall show:
- a) The revised bid price per items to be amended in the case of a unit price contract, or;
  - b) The amount to be added to or subtracted from the contract price in the case

of a lump sum contract, or;

- c) Subsection (2) applies to a letter or fax of amendment of tender.
  - d) If the tender deposit and amendment are found to be a valid submission then the contract price shall be amended to reflect the original tender deposit as amended by the tender amendment.
2. 1) A tender submitted for a proposed contract to which the Act and this By-Law applies shall be rejected and the tender not considered if the tender:
- a) is not in a properly sealed envelope;
  - a) is not accompanied by the required security deposit or bid bond in the proper amount;
  - b) is not accompanied by a valid bid bond, bank draft, money order or valid credit letter where required,
  - c) is not properly signed by the tenderer;
  - d) does not contain the bid price, unit price or fixed price written in words;
  - e) does not have the words “dollars” and where applicable, “cents” set out in the written item bid;
  - f) contains any form of qualifications of or, unless the tender documents otherwise provide, any unsolicited alternative to the tender;
  - g) does not contain a bid for each item required to be bid;
  - h) does not contain a bid on an item not included in the bid form;
  - i) is not contained in an envelope having on the face of it the name of the tenderer and identification of the contract for which the tender is submitted;
  - j) does not contain all addenda issued to prospective tenderer each signed by the tenderer;
  - k) is the second one submitted by the same tenderer in which cases all tenders submitted by that tenderer shall be rejected;
  - l) contains a change in a written bid price not initialled by the tenderer;

- m) omits any document required by or fails to comply with any provisions of the tender documents, or;
  - n) otherwise materially deviates from accepted tendering practices.
- 2) Subject to subsection (1) a tender submitted for a proposed contract to which the Act and this By-Law applies may be accepted notwithstanding that it contains;
- a) errors in mathematics, in which case the proper computation will be carried out and the resultant total used in determining the tender value;
  - b) a conflict between the written bid price and the bid price in numbers in which case the bid is corrected to reflect the written bid price;
3. 1) Lowest or any tender not necessarily accepted.
- 2) Persons submitting tenders must submit their tenders with unit prices written out and lump sum prices written out.
  - 3) The total tender price in a unit price tender need not be written out.
  - 4) The written figures in a tender shall govern and be binding on the tenderer even though totals arrived at disagree with figures or totals given in figures.
4. Every tender shall be opened in public as per the Policy Tendering Procedure of the Town of Sackville.
5. 1) All tenders shall be opened in public at Town Hall, posted and not accepted and then reviewed after the opening to ensure completeness.
- 2) All tenders opened shall become the property of the Town of Sackville and shall not be returned to the person submitting a bid.
  - 3) If a rejection of a tender occurs when reviewing the tenders after opening, the company who submitted a rejected tender shall be notified in writing.
6. The decision to award a contract based on tenders opened under the provisions of this By-Law may be made, and the contract awarded by the Council and notification of the successful tender or may be communicated by person or persons designated by Council.
7. Preference in the awarding of contracts shall be given to local firms or suppliers where price, quality, service, and other consideration are deemed to be equal.
8. 1) Where the tender documents stipulate that a statement shall accompany each tender indicating the price at which the tenderer would supply any named item or items from a named supplier, the tenderer shall submit with his tender a separate list



showing the prices included in his tender price for the named item or items, and the prices for such items if supplied by the named supplier.

2) The tender opening committee shall not post the information contained in the separate list.

3) The Town may ask the successful tenderer to use the named items supplied by the named supplier in the construction of the work and his tender price per unit shall be amended accordingly.

9. The Town may, after notifying the successful tenderer but before the contract is entered into, request the successful tenderer to accept a subcontractor or supplier other than one submitted by him in his tender in which case;

- a) the successful tenderer may refuse or
- b) if the successful tenderer accepts, his contract price will be adjusted accordingly.