

WOODSTOCK PUBLIC LIBRARY

Policy Manual

Section: 6. Financial Policies

Subsection: 6.1 Signing Authorities

Paragraph: 6.1.1 Bank Accounts

Statement of Policy: To identify those persons with authority for signing cheques on behalf of the Board.

Signing authority for cheques on the Library's account is given to the Treasurer of the Board.

Effective Date: June 20, 1994

Motion No. / Date: 94-56 June 20, 1994

Amended Dates:

Responsibility: Board

WOODSTOCK PUBLIC LIBRARY

Policy Manual

Section:	6.	Financial Policies
Subsection:	6.1	Signing Authorities
Paragraph:	6.1.2	Signing of Contracts/Purchase Orders

Statement of Policy: To identify the persons with authority to sign contracts and or to issue purchase orders on behalf of the Board.

1. All written contracts with the Library Board shall be signed by the Chief Librarian.
1. All written contracts in excess of \$50,001.00 shall be signed by the Chairperson of the Board or designate.
2. All purchase orders for budgeted items shall be signed by the Chief Librarian or his/her designate.

Effective Date: June 20, 1994
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Responsibility: Chief Librarian / Board

WOODSTOCK PUBLIC LIBRARY

Policy Manual

Section:	6.	Financial Policies
Subsection:	6.2	Budget
Paragraph:	6.2.1	Variance Policy

The Chief Librarian shall report to the Board in the required format all unfavourable variances in excess of \$2,500.00 and favourable variances in excess of \$5,000.00 per object of revenue or expenditure for authorizing of the variance; and

The Chief Librarian is authorized to approve all unfavourable variances under \$2,500.00 and favourable variances under \$10,000.00 per object of revenue or expenditure.

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Responsibility:	Chief Librarian / Board

WOODSTOCK PUBLIC LIBRARY

Policy Manual

Section:	6.	Financial Policies
Subsection:	6.3	Purchasing
Paragraph:	6.3.1	Purchasing and Procurement

STATEMENT OF PURPOSE

1. Purpose of Purchasing and Procurement Policy

- 1.1. The purpose of this policy is to set out guidelines for the Library Board to ensure that all purchases of materials, supplies and services provide the lowest costs consistent with the required quality and service.
- 1.2. An open and honest process shall be maintained that is fair and impartial.
- 1.3. The purchasing policy will promote and maintain the integrity of the purchasing process and protect the Board, vendors and staff involved in the process by providing clear direction and accountabilities.

POLICY

2. Legislative Authority

- 2.1. The Municipal Act 2001, SO 2001, c.25 Part VI, s. 271, states that a municipality and a local board shall adopt policies with respect to its procurement of goods and services, including policies with respect to:
 - a) the types of procurement processes that shall be used;
 - b) the goals to be achieved by using each type of procurement process;
 - c) the circumstances under which each type of procurement process shall be used;
 - d) the circumstances under which a tendering process is not required;
 - e) the circumstances under which in-house bids will be encouraged as part of a tendering process;
 - f) how the integrity of each procurement process will be maintained;

- g) how the interests of the municipality or local board, as the case may be, the public and persons participating in a procurement process will be protected;
- h) how and when the procurement process will be reviewed to evaluate their effectiveness; and
- i) any other prescribed matter.

PART I - DEFINITIONS

3. For the purposes of this Policy:

“Blanket Order” shall mean the agreement wherein a vendor will sell certain items to the Board for an agreed period of time with established terms and conditions;

“Bid” shall mean a submission from a prospective vendor in response to a request for the purchase of goods or services issued by the Board;

“Bid Deposit” shall mean a financial guarantee to ensure the successful bidder will enter into an agreement;

“CEO” shall mean the officer appointed by the Board to exercise general control and management of the affairs of the library;

“Board” shall mean the Woodstock Public Library Board, a corporation created under the authority of the Ontario Public Libraries Act, R.S.O. 1990, c. P.44, s. 3(3);

“Emergency Purchase” shall mean a purchase made in a crisis situation where immediate action is required to prevent the possible loss of life or property or significant financial loss or environmental impacts;

“Formal Bid” shall mean a sealed bid submission;

“Formal Quotation” shall mean a document that sets out particular requirements for goods and/or services;

“Generic” shall mean that no specific brand or name shall be included as part of the specifications unless such a brand or name is required to identify the intent of a purchase, order or proposal;

“Purchasing Card” means a card that can be used by authorized employees of the Board to purchase goods;

“Purchase Order” means the legal document that is the Board’s commitment to the supplier for the value of the goods or services ordered. It is also the supplier’s authority to ship and charge for the goods specified on the order;

“Requisition” means a written or electronically transmitted request on an approved form, which is used to procure goods or services;

“Sealed bids” are bids submitted in a sealed envelope to a specified location, by a specified date;

“Services” shall mean items such as telephone, gas, water, hydro, janitorial and cleaning services, consultant services, legal services, medical and related services, insurance, leases for grounds, buildings, office or other space required by the Board and the rental, repair or maintenance of equipment, machinery, or other personal and real property;

“Supplies” shall mean goods, wares, merchandise, material and equipment;

“Tender” means a document, which sets out particular specifications for the commodity 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;

“The Woodstock Public Library Board” herein is also referred to as the “Board” or the “Corporation”;

“Vendor” shall mean any person or enterprise supplying goods or services to the Woodstock Public Library Board.

PART II - PURCHASING RESPONSIBILITIES

4. Expenditure Authorization & Responsibilities

4.1. The Board has ultimate authority for all expenditures and delegates this authority by the authorization of budgets or by specific resolution. This purchasing policy provides guidelines outlining how spending authority is to be used.

4.2 The CEO or designate shall be responsible for approval of accounts within the approved budget or any amendment to same as approved by the Board or by the Council of the Corporation of the City of Woodstock.

PART III - PURCHASING GUIDELINES

PURCHASING METHODS

5. Tender Purchases

- 5.1. All purchases of goods and services exceeding \$25,000.00 will be made only after formal tenders have been called.
- 5.2. Board approval of the tender is not required if all of the following conditions have been met:
 - 5.2.1. The project has been approved in the current year estimates;
 - 5.2.2. More than one bid has been received;
 - 5.2.3. The successful bid is under budget;
 - 5.2.4. The contract is being awarded to the lowest bidder, meeting the specifications;
 - 5.2.5. The total value of the tender is less than \$500,000;
 - 5.2.6. There are no Senior Government requirements for Board approval of a tender.
- 5.3. In the event that a project is over budget but meets all of the other criteria, the CEO is authorized to approve the transfer of unspent funds for like projects which form part of the approved Capital Budget.
- 5.4. When the criteria listed have been met, the CEO shall award the tender and the Board Chair and the CEO are authorized to execute the necessary agreements. A list of such tender awards shall be provided to the Board annually.
- 5.5. In all other cases, Board approval is required.
- 5.6. As tenders are awarded they will be posted on the Library website and shall include a brief description of the project, project number (if applicable), the successful bidder's name and the amount of the approved bid.

6. Written Quotation Purchases

- 6.1. For the purchase of goods or services between \$10,000 and \$25,000, at least three written quotations will be solicited before the purchase is made and the purchase shall be made from the lowest bidder meeting the

specifications as approved by the CEO or designate.

- 6.2. In the event that a project is over budget, the CEO is authorized to approve the transfer of unspent funds to make up shortfalls in funds for like projects, which form part of the approved capital budget.

7. Requests for Proposals

- 7.1. The CEO may use a Request for Proposal in place of a tender or quotation when goods or services cannot be specifically stipulated or when alternative methods are being sought to perform certain functions or services.
- 7.2. The evaluation criteria and process shall be approved by the CEO prior to the issuance of the Request for Proposal.

8. Purchase Orders

- 8.1. The purchase of goods and services between \$5,001 and \$9,999 shall be done by Purchase Order except as provided elsewhere in this policy.

9. Blanket Purchase Orders

- 9.1. The CEO or designate may establish Blanket Orders using the applicable bid mechanism based upon the estimated annual expenditure. Blanket Orders shall be issued for a specific time period. The Library may participate in Blanket Orders established by the Corporation of the City of Woodstock, subject to the approval of the City.
- 9.2. When purchasing goods and services for amounts not exceeding \$9,999.99, the CEO or designate shall be authorized to select vendors not solely on the basis of cost, but also on ability, quality or workmanship, service, availability, overall performance and experience without first obtaining quotations.

10. Purchasing Cards

- 10.1. Whenever possible, the purchase of goods and services for \$5,000 or less shall be done by Purchasing Card.

11. Purchase by Negotiation

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

- 11.1. When market conditions and in the judgement of the CEO or designate, the goods are in short supply or when there is only one source of supply;
- 11.2. When two or more identical bids have been received, in which case the CEO or designate may negotiate with the two lowest bidders, keeping all negotiations fair and ethical;
- 11.3. When the lowest bid meeting specifications exceeds the estimated costs by at least 10% and it is not viable or in the best interest of the Board to reissue the tender;
- 11.4. Board approval is required for all bids awarded under this section.

BID ADMINISTRATION - GENERAL

12. Bid Closing and Opening

- 12.1. All bids expected to exceed \$25,000.00 will be opened at a public opening with the exception of Requests for Proposals, or when specifically requested by the Board. The place and time of the opening will be specified in the bid documents and will be attended by at least two Library staff members.

CONDITIONS APPLICABLE TO ALL BID SUBMISSIONS

13. The following conditions apply to all bid submissions whether they are formal or informal:

- 13.1. Bid documents must be submitted and received in the manner as specified in the bid document. No exceptions will be permitted.
- 13.2. Bid documents received at the designated location later than the specified closing date and time will be returned to the bidder. In the case of sealed bids, the bid will be returned to the bidder unopened. No exceptions will be permitted.

13.3. A bidder who has already submitted a bid may submit a further bid at any time up to the official closing time. The last bid received will supersede and invalidate all bids previously received by that bidder.

13.4. A bidder may withdraw a submitted bid at any time up to the official closing time by letter bearing their signature.

14. Bids may be rejected for any of the following reasons:

14.1. Bid was received after the specified closing date and time as specified in the bid document;

14.2. Bid does not comply with the requirements at time of closing as specified in the bid document;

14.3. Bid is incomplete, conditional or obscure, or contains additions not called for, erasures, alterations or irregularities of any kind.

15. Bid Deposits

Pursuant to the contract specifications, bid deposits may be required and provided in one of the following formats:

15.1. A certified cheque made payable to The Woodstock Public Library Board;

15.2. Money orders made payable to The Woodstock Public Library Board;

15.3. Canadian currency;

15.4. Bid Bonds;

15.5. Letter of Credit.

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

17. The Board is authorized to cash and deposit any bid deposit in the 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.

BONDING REQUIREMENTS

18. According to the tender specifications, performance Bonds, Labour and Material Bonds may be required for construction projects for a minimum of 50% of the bid amount. The CEO shall determine the bonding requirements.

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

19. The CEO or designate may accept alternative security in the form of a certified cheque or irrevocable letter of credit if stated as a requirement in the contract document.

EMERGENCY PURCHASES

20. In the case of an emergency situation, the CEO or designate is authorized to make such purchases from such suppliers and upon such terms and conditions as deemed necessary.

EXCEPTIONS

21. The CEO or designate may request exemption from any or all of the purchasing methods outlined in this policy by submission of a report requesting the same to the Board. Such exemption may be granted by resolution.

EXCLUSIONS

22. This Policy shall not apply to:

- 22.1. Specific expenditures as authorized by the Board such as payments for land purchases, work performed under construction contracts, leases and insurance;
- 22.2. Professional fees for services such as consultants, auditors, legal fees, medical examinations, Ontario Land Surveyors, property appraisers and other similar situations;
- 22.3. Goods and services provided by utilities, government agencies, Crown Corporations and in-house services;
- 22.4. Membership dues and subscriptions approved in the current budget;
- 22.5. Travel expenses, meals, convention and seminar registrations, licenses, educational courses and training programs;

ADVERTISING

23. 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 and regulatory requirements.
24. Tenders must be advertised on the Library's website unless the project is sole sourced or the vendor is pre-qualified.

INSURANCE

25. Bid documents must clearly indicate insurance requirements to be provided by the successful bidder.
26. The standard insurance minimums are as follows:
 - 26.1. \$2 million – general liability policy;
 - 26.2. \$2 million – automobile liability policy;
 - 26.3. \$1 million – homeowners (e.g. for rental of facilities);
 - 26.4. \$5 million – general liability and automobile liability policies,
– for contract work done for most construction projects;
 - 26.5. \$1 million – professional errors and omissions liability;
 - 26.6. Builder's Risk – the amount of the project cost.
27. The successful bidder must furnish the Board proof of a liability insurance policy covering public liability and property damage for no less than the minimum amounts stated to the satisfaction of the Board and in force for the entire contract period from commencement of the work until twelve months following substantial completion of the project. The policy must contain:
 - 27.1. a "Cross Liability" clause or endorsement;
 - 27.2. an endorsement certifying The Woodstock Public Library Board and any other affiliated party(s) as additional named insured;
 - 27.3. an endorsement to the effect that the policy or policies will not be altered, cancelled or allowed to lapse without thirty days prior written notice to the Woodstock Public Library Board;
 - 27.4. a Contractor's Liability Insurance Policy that shall not contain any exclusions of liability for damage, etc. to property, building or land arising from:

- 27.4.1. the removal or weakening of support of any property, building or land whether such support be natural or otherwise;
- 27.4.2. the use of explosives for blasting, only when blasting is required under the contract;
- 27.4.3. the vibration from pile driving or caisson work, provided that the minimum coverage for any such loss or damage shall be \$5,000,000.00.

ADMINISTRATION AND REVIEW

- 28. This policy will be administered under the general direction of the Chief Executive Officer.
- 29. No contract or purchase shall be divided to avoid any requirements of this policy.
- 30. In all purchases, price shall be the prime selection criteria prior to any special provisions or add/delete calculated into the bid price, providing that all specification requirements are met and that, in the opinion of the CEO or designate, the bidder is qualified and able to supply the products or services required. Such specifications are to be generic or "as equivalent". All factors influencing the purchasing decision are to be included in the specifications.
- 31. The Woodstock Public Library Board may participate with other units of government, their agencies or public authorities in co-operative purchase ventures when the best interest of the Board will be served. Where such participation is at variance with the Board's Purchasing Policy, the Board shall first authorize any participation.
- 32. Procurement of products and services, which include accessibility features, wherever practicable, is encouraged. The Board tries to assist persons with disabilities unless doing so would result in a fundamental alteration to the program or service or is not practical. As an example of a product which might be utilized, when installing or replacing door handles, lever style handles would be specified.
- 33. Procurement of recycled and other environmentally preferable products, whenever practical, is encouraged. The Board is desirous of supporting markets for recycled and other environmentally preferable products. "Practical" means sufficient in performance and available at a reasonable price. The final determination of "practical" shall lie with the users of the

product, since it is the end user who understands performance and budgetary requirements. Evaluation should consider life-cycle and replacement costs.

34. Performance evaluations may be undertaken on suppliers and providers of services.

35. Notwithstanding the provisions of this Policy, the Board shall have the right to reject the lowest or any bid at its absolute discretion. The Board also reserves the right to reissue the bid document in its original format or modified as best suits the requirements of the Board.

RETENTION OF DOCUMENTATION

36. Documentation will be retained as defined in the City of Woodstock's Retention By-law.

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Responsibility: Board, Chairperson, Chief Executive Officer

WOODSTOCK PUBLIC LIBRARY

Policy Manual

Section:	6.	Financial Policies
Subsection:	6.3	Purchasing
Paragraph:	6.3.2	Disposal of surplus Goods

Statement of Policy: To provide direction for the disposal of surplus goods.

1. The Chief Librarian shall have the authority to sell, exchange or otherwise dispose of all equipment, material and supplies which are surplus to the needs of the Library by the following policies:
 - a) where appropriate items shall be traded in or disposed of by such methods as yield the most favourable price;
 - b) in the case of specialized library equipment, libraries in the Southern Ontario Library System will be given the opportunity to purchase such equipment in priority to other purchasers;
 - c) for all items with an original purchase price up to \$2,000.00 the Chief Librarian shall determine the sale price and method of disposal (items up to \$100 may be advertised internally only);
 - d) for items over \$2,000.00 the Board will determine the sale price and the method of disposal. The sale price will be determined by obtaining three (3) estimates and if deemed appropriate will be advertised in the local press or sold by tender.
2. If no bids are received after all reasonable efforts have been made under the above procedures, the Chief Librarian shall either:

- fix what he considers to be an appropriate price and advertise externally or internally;
- discard the item making reasonable efforts to recover the salvage value of the item.

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WOODSTOCK PUBLIC LIBRARY

Policy Manual

Section:	6.	Financial Policies
Subsection:	6.4	Donations
Paragraph:	6.4.1	Monetary Donations

Statement of Policy: To provide a policy for the receipt of monetary donations.

Donations of cash or by cheque(s) may be made at any service point (Circulation, Reference, Children's Services) in the Library.

A receipt may be issued at the time of donation for amounts in excess of \$10.00.

A letter of appreciation and an official receipt for tax purposes will be mailed to the donor. Only Board signing officers will sign the official receipts.

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WOODSTOCK PUBLIC LIBRARY

Policy Manual

Section:	6.	Financial Policies
Subsection:	6.4	Donations
Paragraph:	6.4.2	Corporate Sponsorships

Statement of Policy: To provide rules and guidelines to govern the solicitation and acceptance of corporate sponsorships.

Definition

A sponsorship is a mutually beneficial exchange: by providing cash, products or services-in-kind to a program, service or function of an organization, the sponsor raises its profile and enhances its image within the community.

The Woodstock Public Library Board encourages the local business community, service clubs and other organizations to become sponsors of library events, programs and services. This sponsorship benefits the community by allowing the library to increase the level of service it can provide to the people of Woodstock.

Terms of reference

Corporate sponsorships must:

- demonstrate that sponsors further the library's mission, goals, objectives and priorities, but do not drive the library's agenda or priorities;
- safeguard equity of access to library services and not allow sponsorship agreements to give unfair advantage to, or cause discrimination against, sectors of the community;
- protect the principle of intellectual freedom and not permit sponsors to influence the selection of collections, or staff advice and recommendations about library materials, nor require endorsement of products or services;
- ensure the confidentiality of user records by not selling or providing access to library records;
- be sensitive to the local political and social climate and enhance the library's image in the community.

Sponsorship criteria

The Woodstock Public Library Board (hereinafter referred to as “the Board”) will determine, on a case-by-case basis, if it will enter into a sponsorship agreement based on its assessment of the Woodstock Public Library’s (hereinafter referred to as “the Library”) best interests. The Board reserves the right to refuse any sponsorship it deems inappropriate or unsuitable to the Library’s mission, goals, policies and best interests.

Sponsorship criteria include, but are bit limited to:

- providing universal access to Library collections, facilities, staff and other resources;
- encouraging exploration of the broadest range of ideas, information and culture;
- protecting the principle of intellectual freedom;
- ensuring the confidentiality of patron records;
- ensuring that sponsoring companies’ products are legal for children;
- maintaining the integrity of the Library’s purchasing and materials selection practices.

Sponsorships must comply with the Library’s policies on conflict of interest.

Sponsorships cannot be made conditional on Library performance outcomes.

Sponsors must have no expectation of having any impact on the policies and operating procedures of the Library.

Sponsorships do not automatically imply exclusive endorsement of products by the Library. Where a sponsorship agreement limits the Library’s ability to enter into other sponsorships, the guidelines of such an agreement shall clearly define the nature and extent of the exclusiveness and the time frame over which it applies.

There shall be an annual accounting of the financial benefits and cost of sponsorship.

Written agreement

Acceptance will take the form of a written agreement signed by representatives of the sponsoring organization and authorized representatives of the Library. This agreement will define the terms of the sponsorship and any recognition to be provided to the sponsor.

Any public use of the Library's name, logo, special collections, services, programs and departments must be approved by the Board.

The sponsorship agreement must have a set time period. All obligations on the part of the Library and the sponsor will end upon termination of the sponsorship agreement, unless otherwise specified within the agreement.

Sponsor recognition

Sponsors shall be provided with a level of recognition commensurate with their contribution. Recognition shall be in conjunction with, but not limited to, the programs or services which are supported by the sponsor.

The nature of the recognition shall be approved by the Board and be embodied in the sponsorship agreement.

Charitable tax receipts

The Canada Customs and Revenue Agency rules governing the issuance of charitable tax receipts state that charitable tax receipts may not be issued for sponsorships where the sponsor receives a benefit such as advertising or promotion in return for the donation. However, since the sponsor may deduct these sponsorship expenditures as a business expense, the tax deductibility is not lost.

Sponsorship termination

The Board reserves the right to terminate an existing sponsorship should conditions arise during the life of the sponsorship that, in the opinion of the Board, result in a conflict with this policy or not longer support the best interests of the Library.

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