



Town of the City of Dawson

PURCHASING AND SALES POLICY

06-03

1. Purpose:

To control and manage the Town's purchases and sales to obtain optimum economic benefit and ensure financial accountability by following proper transaction ethics and employing applicable purchasing, sales and storage techniques.

2. Policy Statement

The Town of the City of Dawson purchases and sells thousands of dollars worth of supplies, services, advertising, equipment and capital works every year. It is the intention of the Town to control and manage these purchases to obtain optimum economic benefit by following proper purchasing ethics and applicable purchasing and storage techniques.

3. Code of Ethics for Town Transactions

1. To consider first the interests of the Town in all transactions and adhere to all established policies.
2. To transact without prejudice, seeking to obtain the maximum value for each dollar of expenditure.
3. To subscribe to work for honesty and truth in buying and selling and to denounce all forms and manifestations of commercial bribery.
4. To co-operate with all organisations and individuals engaged in activities designed to enhance the development and standing of materials management.
5. To purchase "locally" wherever practicable.

4. Objectives

The transaction objectives of the Town include the following:

1. To ensure as many suppliers and buyers as practicable are given the opportunity to bid.
 2. To perform all transactions in the most cost effective manner while adhering to current trade practices.
 3. To review transaction practices to ascertain if the cost of goods and services may be reduced by purchasing in bulk quantities.
 4. To provide financial control over the expenditure of funds through the use of purchase orders approved by authorised signing authorities. All expenditures must have prior budget approval and/or be authorised by Council Resolution.
 5. To provide financial control over the sale of goods and services through the use of contracts approved by authorised signing authorities. All sales must have prior approvals by delegated staff or authorised by Council Resolution.
 6. To provide further control and continuity by establishing, where practicable, a single authority for ordering interdepartmental common goods and services.
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7. Geographical preference will be given to suppliers in the following order of priority: Dawson City, Yukon, Canada.
 - If the value of the transaction is under \$1,000 and the prices are within 5% of each other.
 - If the value of the transaction is between \$1,000 and \$7,500 and the prices are within 4% of each other.
 - If the value of the transaction is between \$7,500 and \$25,000 and the prices are within 3% of each other.
 - If the value of the transaction is more than \$25,000 and the prices are within 2% of each other to a \$10,000 maximum difference in bids.

Advertising for public bids shall be restricted to Yukon newspapers unless waived by Council.

8. To stock in inventory those goods required on a timely and/or repetitious basis.

5. Bidding Process

A bidding process which shall be determined as follows, unless waived by approval of Council, or as a result of a bona fide emergency situation, as defined in *Bona Fide Emergency* Section.

1. All Purchases with the exception of Proposals for Consulting Services:
 - a. Formal public tenders of proposals – all transactions anticipated to be greater than \$20,000.00;
 - b. Quotations (solicited from specified suppliers) – all transactions between and including \$2,000.00 to \$20,000.00. Quotations for transactions up to \$15,000.00 may be waived by authorisation of the CAO.
 - c. Transactions up to \$2,000.00 will be left to the discretion of Departmental Managers or authorised delegates.
2. Proposal for the Purchase of Consulting Services
 - a. Formal public proposal for all transactions anticipated being greater than \$30,000.00..
 - b. Quotations (solicited from specific suppliers) for all transactions between and including \$10,000.00 to \$30,000.00. Quotations for transactions up to \$20,000.00 may be waived by the authority of the CAO.
 - c. Transactions up to \$10,000.00 to be left to the discretion of the departmental managers or authorised delegates
3. Tender Awards

Any and all proposed tender awards by authorised signing authorities to bidders other than the lowest bidder for purchases and the highest bidder for sales shall require prior approval of Council.

6. Bona Fide Emergency

“Bona Fide Emergency” for the purposes of this policy includes the development of:

1. A situation which may endanger the health and/or safety of any Town employee or member of the public; and/or;
 2. A situation that may jeopardise Town property and/or assets or property and/or assets of members of the public.
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7. Disposal of Town Assets

The CAO or authorised delegate shall provide authority for all disposal reports. Disposal of Town assets, provided they have not been deemed garbage, shall be made either via a public bidding process or as directed by Town Council. The CAO may approve donations to bona fide non-profit organisations up to an estimated value not to exceed \$2,000.00. Requests for donations exceeding this amount shall be recommended to Council for authorisation.

8. Signing Authorities

The CAO has the authority to delegate signing authority to others but this authority may not be re-delegated. The Delegation of Authority form attached as Appendix 1 shall authorize this delegation.

9. Capital Expenditures

Where budgeted, all expenditures of \$15,000.00 or less are authorised by the CAO and \$5,000.00 or less or as delegated to signing authorities. Any capital expenditure exceeding \$15,000 will be authorized by Council.

10. Council Authority

A Council Resolution is required prior to the award of any contract in excess of \$50,000.00 and any consulting services contract in excess of \$25,000.00. During the budget approval meetings and subsequent thereto, Council may request specific approval requirements for an individual project or transaction.

11. Appendixes

Appendix "A" – Delegation of Authority Form

POLICY TITLE:	Purchasing and Sales
POLICY #:	06-03
EFFECTIVE DATE:	March 20, 2007
ADOPTED BY COUNCIL ON:	March 20, 2007
RESOLUTION #:	C07-10-23

ORIGINAL SIGNED BY:

MAYOR JOHN STEINS
CAO PAUL MOORE
