

THOROLD BUSINESS IMPROVEMENT AREA ASSOCIATION  
POLICY AND PROCEDURE MANUAL

GOVERNANCE		
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**PURCHASING POLICY**

**DEFINITIONS**

“BIA” means the Business Improvement Area Association;

“BOARD” means all members of the BIA including Executives and the General Membership;

“BUYER” means anyone who is making a purchase for or on behalf of the BIA using BIA funds;

**AUTHORITY**

This policy authorizes the Thorold BIA Board and where applicable and according to the Procedural By-Law of the BIA, the Coordinator, to act as the legal Purchasing Agent.

The BIA Treasurer will monitor adherence to the provisions of this policy and the procedures adopted for its use. Failure to comply with the provisions and the procedures will be reported to the BIA Executive. All incidents of non-compliance shall be reported to the City of Thorold.

The BIA Buyer will be responsible for maintaining good vendor relations and for the conduct of all negotiations with vendors subject to the other provisions of this policy. The BIA Buyer will request assistance if required from the City of Thorold prior to the outset of calling tenders and in all matters that require further expertise.

All inquiries regarding materials, prices, services, delivery, terms, conditions and adjustments, are to be conducted by or through the BIA Buyer.

**PURCHASING GUIDELINES**

Purchase of goods, services or equipment will be made on a competitive basis, in keeping with accepted public purchasing practices and in accordance with the applicable federal, provincial and municipal laws.

Splitting of purchases to avoid any of the purchasing process outlined in this policy is prohibited.

**PURCHASING PROCESSES**

Goods or services will be purchased in accordance with the Purchasing Policy and Terms of Reference.

### **EXPENDITURES BY THE BIA BOARD/EMPLOYEES**

BIA funds can only be used for improvements to publicly owned property within the BIA area, not individual businesses or private properties. The common funds must be used to advance the objectives of the BIA.

Any expenditure over \$1000.00 must be approved by a quorum of the Executive at an open meeting and such expenditures will be communicated to the general membership in accordance with the approved budget.

If the expenditure is required to conduct immediate business, then the Executive Committee may be called upon to approve.

### **APPROVAL OF FINANCIAL TRANSACTIONS**

#### SIGNING AUTHORITY

In order to ensure the Thorold BIA can function effectively, and that there is adequate financial control by the Executive, there are three levels established for financial transactions.

Level One: No approval required.

Level Two: Approval by two of the Executive members.

Level Three: Approval by the BIA Board.

#### LEVEL ONE APPROVAL

All transactions to a maximum of \$200.00 are not subject to pre-approval by the Executive and will be presented at the following BIA open meeting.

- (a) The purchase is one that was included in the approved budget; and
- (b) The purchase does not result in an overage in the budget item.

#### LEVEL TWO APPROVAL

The Buyer of the Thorold BIA can make a financial transaction over \$200.00 to a maximum of \$1000.00 at the discretion of two Executive of the Board without prior consultation with, or approval by the BIA Board provided that:

- (a) The purchase is one that was included in the approved budget; and
- (b) The purchase does not result in an overage in the budget item; and
- (c) Two executive of the Board approve the purchase in writing; and
- (d) The purchase is reported at the next open meeting.

#### LEVEL THREE APPROVAL

The Buyer of the Thorold BIA can make a financial transaction over \$1000.00 only at the discretion of the Board and provided that:

- (a) The purchase has been approved by motion at a meeting of the Board and the approval is documented in the minutes of the meeting or
- (b) The purchase is confirmed to the Board at its next meeting following the completion of the transaction or
- (c) The expense is fixed and pre-approved as in the instance of monthly rent.

Note: If any purchase at Level One or Level Two has not been previously approved in the annual budget, or if it will result in budget overrun, the Board must give its approval prior to such a purchase.

## **LEASING**

In certain cases, it may be economically advisable to enter in a Financial Lease to acquire the rights to use capital property and equipment rather than an outright purchase. In which case the BIA will follow the City of Thorold Guidelines.

All lease arrangements must be reviewed by the BIA Board. The following information is to be received prior to review:

- The total amount to be borrowed as compared to the cost of the equipment or capital property.
- Disclosure of the interest rate and whether it is a variable or fixed
- Copy of the master schedule including a complete schedule of all fixed payments.
- How the payments are to be made (monthly, quarterly, yearly)
- Administrative fees (credit investigation, registration, billing surcharges, insurance)
- Termination penalties

## **CO-OPERATIVE BID CALLS**

The Thorold BIA Board will have the authority to join or participate with other units of government, including local boards, commissions and agencies in co-operative purchasing and bulk buying of goods and services.

Purchasing made through this co-operative buying procedure require approval as outlined in this policy. As such, the calling agency's terms and conditions will apply.

## **SPECIFICATIONS**

Where practical, specifications and Terms of Reference should be considered. Where specifications are detailed and may be brand specific, care shall be taken to ensure potential vendors may provide alternatives in the event an equal or better product or method is available.

## **DISPOSAL OF SURPLUS**

Where any goods purchased by the BIA are declared surplus, obsolete or not repairable, it will be reported to the BIA Board, unless the item has limited market value in which case they

may be disposed of.

**CONFLICT OF INTEREST**

No elected member or employee of the BIA may purchase goods or services for personal use through the BIA.

No elected member or employee of the BIA will allow contact with a person, or any officer, employee or agent of the person who has submitted a bid to the BIA unless the bid call has been awarded.

No elected member or employee will purchase or offer to purchase on behalf of the BIA, any goods and/or services, except in accordance with this policy.

No contract or purchase will be divided to avoid requirements of this policy.

**LEGAL CLAIMS**

No tender, proposal or quotation will be accepted from any company which has a claim or instituted a legal proceeding against the BIA or against whom the BIA has a claim or instituted a legal proceeding with respect to any previous contract, without prior approval by the BIA Board of Management.