

# THE VILLAGE OF MONTROSE

**POLICY TITLE:** PURCHASING POLICY

**POLICY #** 1790

**POLICY STATEMENT:**

It is the policy of Council that decisions process for the purchase of goods and services for the Village ensure that citizens receive value-for-money, and that area supplier be treated fairly.

**POLICY BACKGROUND:**

Significant expenditures have, as a rule, been made on the basis of open or invitational tenders. Where suppliers are asked for quotes, usually not less than three suppliers are invited to bid. Where the value of the goods or services is minor, asking suppliers to bid may at times inflate rather than reduce the cost. In some circumstances, it is not in the best interest of the Village if several contractors or suppliers are involved. For example, it is in the best interest of the Village to work with one electrical contractor for the maintenance of a sewer lift station, enabling that contractor to become familiar with the installation and thereby provide value to the Village.

**POLICY GOAL:**

The goal of this policy is effective and value-based purchasing decisions.

**POLICY OBJECTIVES:**

1. To authorize the administrator to purchase goods and services under **\$10,000** without a formal bidding process.
2. Subject to policy objective #5, to solicit not less than three bids from qualified suppliers for goods and services in the range of **\$10,000 to \$20,000**.
3. To authorize the administrator to procure goods and services under **\$20,000** and within the annual budget without specific prior approval by Council.
4. Subject to policy objective #5, to submit all purchases in excess of **\$20,000** to a formal tendering process and prior approval by Council.
5. To require a show-cause report for approval by Council resolution prior to the procurement of goods and services by a process not in compliance with policy objectives 2 or 4.
6. To authorize the Deputy Clerk to purchase goods and services deemed to be routine inventory or utility purchases within the annual budget and are considered required for the day to day operations of the Village.

Initially approved at meeting #12, June 6, 2000

Amended at meeting #31-15 on December 7, 2015

Amended at meeting #36-17 on December 4, 2017

Last reviewed and amended at meeting #37-24 ON December 16, 2024

Next scheduled to be reviewed on December 1, 2025