



Town of Conception Bay South Policy Manual

Title: Procurement Policy
Policy Number: 005

Resolution Number: #22-453
Date Approved: December 6, 2022

PURPOSE:

- To ensure that goods and services that are acquired by the Town of Conception Bay South are done so in the most efficient and cost-effective manner while maintaining the controls required by a public agency in accordance with Provincial and Federal Legislation.
- To outline the expenditure control and approval processes required by Council, the Chief Administrative Officer, Department Heads, Managers, and other employees.
- To establish internal controls over the authorization of expenses.

AUTHORITY:

- *Municipalities Act, 1999*
- *Public Procurement Act*
- *Public Procurement Regulations*
- *Public Procurement Policies*
- Council Discretion

DEFINITIONS:

“Town” means the Town of Conception Bay South

“Council” refers to the elected Town Council of the Town of Conception Bay South.

“CAO” refers to the Chief Administrative Officer of the Town of Conception Bay South.

“Emergency” is a situation, or the threat of an impending situation, which may affect the environment, the life, safety, health and/or welfare of the general public, or the property of the Town or the residents of the Town, or to prevent serious damage, disruption of work, or to restore or to maintain essential services at a minimum level.

“Public work” is the construction, re-construction, extension, enlargement, repair, maintenance, improvement or demolition of real property, including improvements to leased property.

“Real Property is land, buildings, structures, improvements and fixtures erected or placed upon, in, over or under land or affixed to land, and includes an interest in any of the items listed previously.



“Services” includes but is not limited to:

- All services incidental to the supply of goods including the provision of transportation of all kinds,
- Printing and reproduction services
- Accounting, land survey, and voice telephone services
- Engineering services
- Architectural services
- Banking services not outlined in professional services
- Insurance services
- Services that require the giving of an opinion, creativity, the preparation of a design, or technical expertise except those services defined as professional services.
- All other services not considered to be professional services

“Professional services” are legal services and financial services relating to the provision of credit and instruments of monetary policy.

“Open call for bids” is a publicly advertised invitation to submit a bid.

“Limited call for bids” is an invitation that is directed to a finite number of specific suppliers to submit a bid.

“Petty cash” means a small amount of cash kept on hand at a work site to be used for necessary minor purchases.

“Cheque requisition” means a form requesting a cheque be prepared for payment of a Town expense.

“Budget” means a financial plan outlining expected revenues, expenses and expenditures for fixed assets that is formally reviewed and approved by Council.

SCOPE:

This policy applies to all employees delegated with purchasing authority.

RESPONSIBILITY:

All operating departments are responsible for ensuring that expenditures made on behalf of the Town represent best value and provide a benefit to the Town.



The Financial Services Department is responsible for ensuring that no payments are made without appropriate authorization.

PROCEDURE:

APPROVAL AUTHORITY

Procurement authorizations are as follows:

1. All expenditures shall be approved by Council through approval of the cheque registers.
2. The Chief Administrative Officer (or Council approved designate) may approve procurement up to \$20,000 without the approval of Council and expenditures in excess of \$20,000 with the prior approval of Council.
3. In the event of an emergency, the Chief Administrative Officer (or Council approved designate) may approve any amount without the approval of Council and shall report such procurements to Council at its next meeting.
4. Any proposed procurement in excess of \$20,000 shall not be presented for Council approval without the recommendation of the Chief Administrative Officer (or Council approved designate).
5. Department Heads as listed below may approve procurements up to \$10,000.

Director of Engineering and Public Works
Director of Planning and Development
Director of Recreation and Leisure Services
Fire Chief
Director of Finance
Director of Economic Development
Town Clerk

6. Procurements up to a value of \$5,000 may be approved by the following individuals:

Public Works Superintendent
Facility Operations and Maintenance Manager
Engineering Manager



7. Procurements up to a value of \$2,000 may be approved by the following individuals:

Deputy Clerk
Public Work Supervisor
Assistant Town Engineer
Facilities Manager
Aquatics Manager
Aquatics Supervisor
Program Supervisor
Fire Captain
Occupational Health and Safety Coordinator
Executive Secretary
Administrative Assistant
Enforcement Manager
Network Manager
Senior Capital Assets Accountant
Communications Manager
Human Resources Coordinator
Economic Development Coordinator
Manager of Stadium Operations and Events

8. Authorization for any activity, unless specified otherwise in another policy, shall be made by Council.
9. All purchases in excess of \$20,000, following approval by the Chief Administrative Officer, shall be submitted to Council for approval during the regular Public Council Meeting. This process will not be applicable to invoices for which a motion of Council has already been approved or for routine expenditures involving payroll, telephone or hydro charges, standing orders, contracts, assessment services, insurance and other similar procurements.

All procurement on behalf of the Town must have an authorizing signature other than that of the initiator of the procurement. Where a manager or Department Head initiates a procurement, the authorization must be from another manager and will be in accordance with the authorization levels above, or the individual's direct supervisor, whichever level is higher. This applies to procurement made by purchase order or procurement card.

In this policy, for the purpose of determining authorization and approval levels, the amount of a purchase ("gross value") excludes HST/GST and QST, but includes any other taxes or charges.



Council authorizes the annual expenditures of the Town by approving the annual budget.

Managers are authorized to purchase items within the budget without prior approval provided the procurement adheres to this policy.

For major procurement not reflected in the budget, Council approval is required.

Delegation of Approval Authority

To cover for vacation and other forms of leave, Approval Authority may be delegated. Delegation must be in writing and communicated to departmental staff, Director of Finance, Accounts Payable staff, prior to the commencement of the leave. Communication must include the duration of the delegation of authority with beginning and ending dates.

ACQUISITION PROCESS

The method used for acquisition will be dependent on the type and value of the goods and/or services being acquired. Purchases shall not be split to avoid the conditions of this policy.

The Town encourages quotes to be obtained for all purchases of goods and/or services whenever possible and reasonable, regardless of the value to ensure a competitive process.

All departments will directly purchase all goods and services for their departments with the exception of:

- Vehicles and equipment – coordinated by the Department of Engineering and Public Works
- Personal protective equipment – coordinated by the Occupational Health and Safety Coordinator.
- Computer hardware and software – coordinated through the IT Division of Financial Services.
- Communication and other telecommunications devices - coordinated through the IT Division of Financial Services.



1. Open Call for Bids Required

The *Public Procurement Act* of the Province of Newfoundland and Labrador shall be followed and an open call for bids required for:

1. Goods with an estimated value of \$105,700 or greater;
2. Services with an estimated value of \$105,700 or greater;
3. Engineering services and architectural services with an estimated value of \$105,700 or greater;
4. Public works with an estimated value of \$264,200 or greater; and
5. Leases of space with an estimated value of \$100,000 or greater. All thresholds are exclusive of harmonized sales tax.

2. Limited Call for Bids

Where goods or services do not require an Open Call for Bids but are of a complex nature or require specific expertise, Departments should seek a formalized quote process through a Limited Call for Bids.

3. Requests for Quotations

A minimum of three (3) quotes must be obtained for the categories and thresholds listed below. Where three (3) quotes cannot be obtained, staff are required to provide documentation of:

- Three (3) quotes were pursued; or
- There are limited suppliers for the good or service; or
- The good or service meets the definition of sole source as per section 7.2 of the Public Procurement Act.

All thresholds are exclusive of HST and include the full cost to acquire the good and/or service, including freight charges.

Goods – of a value greater than \$10,000 and not more than \$105,700
Services – of a value greater than \$10,000 and not more than \$105,700
Public Works – of a value greater than \$25,000 and not more than \$264,200.

Competitive quotes can be used for a period of six (6) months for repetitive purchase, provided the vendor is willing to honour the original quoted price.



Exceptions:

Request for quotes does not apply to the following expenditures:

- Utilities including electricity, postal services, water, telephone and fuel.
- Employee disbursements such as advances and attendance at seminars, conventions, workshops
- Payroll related expenditures, insurance claims, licenses, memberships, subscriptions, media and advertising
- Professional services such as legal services and financial services related to the provision of credit and instruments of monetary policy
- Services relating to the sale of capital assets
- Where the town has
 - Existing pre-qualified suppliers list established through a Request for Qualifications
 - Existing Standing Offer Agreement in place
 - Delegated its authority to a Standing Offer Agreement with another public body.
- An emergency as defined in this policy.

4. Reporting Requirements

The Town is required to report all open calls for bids to the Public Procurement Agency, as well as limited calls for bids at the following thresholds:

- Goods above \$10,000
- Services above \$50,000
- Public Works above \$100,000

PROCUREMENT PROCEDURES

1. PETTY CASH

Goods or services costing less than **\$100** required in the normal course of business may be purchased and paid for from petty cash.

All withdrawals from petty cash and all expenditures using petty cash must be authorized by the employee's supervisor or the supervisor's delegate.



2. PURCHASE ORDERS

Purchase orders are required for all purchases, with the exception of the expenditures identified below. Purchase orders will be approved in accordance with approval authorizations of this policy. Directors or CAO will action purchase order for acquisitions approved by Council. These purchase orders shall state the motion number of the Council approval. Purchase orders must be completed prior to making the commitment for the expenditure.

It is the responsibility of the person approving the purchase order to ensure that there are funds available for the expenditure as per the departments approved budget and that the correct account code is utilized.

Each department is responsible for all purchase orders generated within their department.

Under no circumstances shall purchases be split to avoid the authority limits as set out in this policy.

Purchase orders are not required for the following recurring and non-competitive expenditures:

1. Utilities including: electrical, postal services, water, telecommunications, and fuel.
2. Employee distributions such as advances, attendance at seminars, workshops, conferences, etc., which are covered under travel policies.
3. Employers general expenses such as payroll expenses, insurance claims, licenses and memberships
4. Professional services including legal and banking
5. Progress claims for engineering or architectural services or construction work on capital projects.
6. Assessment Services

3. Supplier Invoices

Suppliers must be provided with a copy of the Purchase Order and must clearly identify the purchase order on their invoices for goods and services.

All invoices should be directed to the town's Accounts Payable department.

Email: accountspayable@conceptionbaysouth.ca



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Mail: Accounts Payable
Town of Conception Bay South
11 Remembrance Square
PO Box 14040, Stn Manuels
Conception Bay South, NL A1W 3J1

4. Payment Methods

All payments are to be processed through accounts payable.

5. Procurement Cards

All purchases using procurement cards must adhere to this policy. Purchase orders are not required for credit card purchases.

The use of procurement cards must follow the Town's Procurement Card Policy.

DISPOSAL OF ASSETS

Disposal of Town assets shall be in accordance with Section 201.2 of the Municipalities Act, 1999.

REVISION HISTORY:

Revision:	Author:	Change Made:	Date:
001	Director of Finance	Updated to reflect legislative changes	December 6, 2022