



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 ensuring the best value.
- 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.

SCOPE:

This policy applies to all individuals making purchases on behalf of the Town.

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 Finance Department is responsible for ensuring that no payments are made without appropriate authorization.

DEFINITIONS:

“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.



AUTHORITY:

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

PROCEDURE:

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 \$10,000 or greater;
2. Services with an estimated value of \$50,000 or greater;
3. Engineering services and architectural services with an estimated value of \$100,000 or greater;
4. Public works with an estimated value of \$100,000 or greater; and
5. Leases of space with an estimated value of \$100,000 or greater.

All thresholds are exclusive of harmonized sales tax.

Open Call for Bids Not Required

The Town may, in its discretion, issue an open call for bids for commodities and services where the estimated value of those commodities is below the thresholds referred to above.

For goods and services or public works that do not require an open call for bids and cost less than the thresholds noted above, the Town may request quotes from three legitimate suppliers be obtained with the best value to the Town be accepted. The Town may choose to formally request standing offer pricing for a fiscal year.

Goods or Services less than \$100

Goods or services costing less than **\$100** required in the normal course of business may be 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.

Goods or Services greater than \$100

For individual goods or services costing more than **\$100** required in the normal course of business, either the purchase order process or a procurement card must be used, except in the case of regular predictable expenses such as rent or utilities.

Purchase order 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 expenditures 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 with the approval of Council and shall report such expenditures to Council at its next meeting.
4. Any proposed expenditure 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 expenditures up to \$10,000.

This is applicable to normal operational items; however, any discretionary items including all travel advances or claims or items that may have potential political implications requires the approval of the Chief Administrative Officer, who will in turn determine the applicability of Council approval.

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
Deputy Clerk



6. Purchase orders less than \$5,000 may be approved by the following individuals:
 - Public Works Superintendent
 - Facility Operations and Maintenance Manager
 - Engineering Manager

7. Purchase order less than \$2,000 may be approved by the following individuals:
 - 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 purchases.

Purchases Initiated by Management

All purchases made on behalf of the Town must have an authorizing signature other than that of the initiator of the purchase. Where a manager or Department Head



initiates a purchase, 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 purchases made by purchase order or procurement card.

HST/GST

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.

Authorization by Council

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

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

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

REVISION HISTORY:

Revision:	Author:	Change Made:	Date: