



CITY OF CORNER BROOK

Policy Statement

Index	Procurement and Disposal	Section	Procurement		
Title	Purchasing Policy	Policy Number	07-01-04	Authority	
Approval Date	2021-08-09	Effective Date	2021-08-09	Revision Date	

Background:

As a publicly funded institution, the City of Corner Brook has a duty and legislative requirement to ensure that purchases are made in a responsible manner. The City is required to adhere to the *Public Procurement Act*, as well as the *City of Corner Brook Act*. The *Public Procurement Act*, and the *Public Procurement Regulations* will supersede this policy in case of any conflict.

Purpose:

The City encourages an open and competitive bidding process for the acquisition of goods and services, and the equitable treatment of all vendors.

The purpose of this policy is to ensure that goods and services are acquired by the City of Corner Brook in an efficient and cost effective manner, while maintaining the controls necessary for a public body, in accordance with Provincial and Federal legislation.

Definitions:

“City” – Means the City of Corner Brook

“Council” – Refers to the elected City Council of the City of Corner Brook. The Council’s powers and responsibilities originate in the *City of Corner Brook Act*.

“City Manager” – Refers to the City Manager of the City of Corner Brook

“Emergency” - 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 City or the residents of the City, or to prevent serious damage, disruption of work, or to restore or to maintain essential service to a minimum level.

“Public Work” – The construction, re-construction, extension, enlargement, repair, maintenance, improvement and demolition of real property, including improvements to leased property.

“Real Property” – 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 them.

“Services” – Includes but is not limited to:

- a) All services incidental to the supply of goods including the provision of transportation of all kinds,
- b) Printing and reproduction services,
- c) Accounting, land survey and voice telephone services,
- d) Engineering services,
- e) Architectural services,
- f) Banking services not captured under professional services,
- g) Insurance services,
- h) Services that require the giving of an opinion, creativity, the preparation of a design, or technical expertise except those services defined under professional services,
- i) All other services not considered to be professional services.

“Professional Services” – Legal services and financial services relating to the provision of credit and instruments of monetary policy.

“Open call for bids” - A publicly advertised invitation to suppliers to submit a bid.

“Limited call for Bids” – An invitation to specific suppliers to submit a bid

Policy Statement:

GUIDELINES AND PROCEDURES:

1.0 SCOPE

This Policy applies to all City employees delegated with purchasing authority.

2.0 APPROVAL AUTHORITY

In accordance with the City of Corner Brook Act, Section 64, the City Manager may make or authorize the making of expenditures for the purchase of equipment, supplies, work or other thing required for the carrying on of the business of Council, and the City Manager may enter into contracts for those purchases on behalf of Council.

All purchases shall be approved prior to the purchase being made.

Any person delegated approval authority pursuant to this policy shall ensure that an approved budget exists for the proposed procurement.

The following body and persons shall have the respective Approval Authority as set out below. All limits are exclusive of HST:

- a) Supervisors – are authorized to approve procurements of a value up to \$10,000 within their respective departmental budgets.
- b) Managers – may approve procurements of a value up to \$50,000, where there are sufficient funds allocated in the approved budget.
- c) Directors – may approve procurements of a value up to \$105,700, where there are sufficient funds allocated in the approved budget;
- d) City Manager - may approve procurements of a value up to \$105,700, where there are sufficient funds allocated in the approved budget; change orders of up to \$20,000 that are within budget, and change

order up to \$5,000 that are outside of budget. The City Manager may also approve any invoice for a procurement that was previously approved by Council.

- e) Council – approval must be obtained for purchases that exceed budgeted figures by greater than \$5,000; and all change orders over \$20,000.

2.1 Delegation of Approval Authority

To cover for vacation and other forms of leave, Approval Authority may be delegated by staff to a lateral employee in the same or another department or to a subordinate in the same department. Delegation of approval must be in writing and communicated to departmental staff, Director of Finance and Administration, and Manager of Treasury, prior to the commencement of leave.

2.2 Emergency

In the case of emergency, the City Manager may authorize any amount without the prior approval of Council and shall report such expenditures at its next meeting.

3.0 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 the policy.

The City encourages quotes 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:

1. Vehicles and equipment - coordinated through the Department of Public Works, Water & Wastewater
2. Computer hardware and software - coordinated through IT Division of Department of Finance & Administration
3. Communication and other telecommunication devices - coordinated through the Directors office of Department of Finance & Administration

All purchases that require an open call for bids or a formalized limited call for bids will be coordinated through the department initiating the procurement. Employees in each department are expected to work together to provide assistance in an procurement if asked by another department.

3.1 Requests for Quotation

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

- a) 3 quotes were pursued; or
- b) There are limited suppliers for the good or service; or
- c) 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	Value greater than \$20,000 and not more than \$264,200

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

Exception

Request for quotes does not apply to the following expenses:

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

3.1.1 Qualified Vendor List

The City will maintain a database of qualified vendors for required trades work such as:

Electrical Repair

Plumbing Repair

Heavy equipment operations

The City will maintain its source list in accordance with the Province's Public Procurement Policy, section 6.2 Pre-Qualified Supplier List.

3.2 Open Call for Bids

An open call for bids is required for goods and/or services over the threshold as defined in the Public Procurement Act. Thresholds are exclusive of HST.

Goods	\$105,700 or greater
Services (including engineering and architectural services)	\$105,700 or greater
Public Works	\$264,200 or greater
Lease of Space (Contract Value)	\$100,000 or greater

Services do not include legal services or financial services relating to the provision of credit and instruments of monetary policy.

All open call for bids will be coordinated through the department initiating the procurement.

Exceptions to the Open Call process are per section 7.1 and 7.2 of the Public Procurement Act and will be evaluated by each department prior to purchase.

3.3 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.

Limited Call for Bids will be coordinated through the department initiating the procurement.

3.4 Reporting Requirements

The City will report all Open Calls for Bids on the City's website immediately after the issuance. This would include the Open Call, any amendments or cancellations. Once the Open Call for Bids is awarded, within 15 days of award, the City will post on its website:

- the name of the successful bidder,
- description of the commodity,
- date of the award,
- financial value of the contract,
- term of the contracts, and
- and renewal options of the contract.

If there is an exception to the Open Calls for Bids in accordance with the Public Procurement Act, Regulation or Policy, it is to be posted on the City website and contain the following information:

- the name of the successful bidder,
- description of the commodity,
- date of the award,
- financial value of the contract,
- term of the contracts,
- and renewal options of the contract
- relevant clause justifying the exception,

- reason why an open call was not invited,
- name of approver, and
- date approved.

4.0 PURCHASING PROCEDURES

4.1 Purchase Orders

Purchase orders are required for all purchases, with the exception of the expenditures identified below. Purchase orders will be approved according to section 2.0 of this policy. Directors or CAO will action purchase orders 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 code distribution is in accordance with the approved.

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

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

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

- a) Utilities including: electricity, postal services, water, telecommunications, and fuel.
- b) Employee disbursements such as advances and attendance at seminars, workshops, conferences etc., which are covered under the travel policy.
- c) Employers general expenses such as payroll expenses, insurance claims, licenses and memberships.
- d) Professional services including legal, and banking
- e) Progress claims for Engineering or architectural services or construction work on major contracts.
- f) Grant payments approved by Council in the annual budget

Only one purchase order is required for City issued Standing Offer's.

4.2 Supplier Invoices

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

All invoices should be forwarded to the following billing address:

E-mail: accountspayable@cornerbrook.com

Mail: Accounts Payable

City of Corner Brook

PO Box 108

Corner Brook, NL A2H 6E1

5.0 PAYMENT METHODS

All payments are to be processed through accounts payable. Vendors are required to sign up for electronic payment processing.

6.0 PROCUREMENT CARD

All purchases using a City credit card must adhere to this policy. The use of a credit card to purchase goods and or services should not be used in any way to circumvent this policy. Purchase Orders are not required for credit card purchases.

6.1 Restrictions

- a) Shall not be used for personal purchases of any nature;
- b) Shall not be used when the costs of goods or services would be significantly increased as a result of using the card and an alternate method of payment is available;
- c) Cash advances/withdrawals are prohibited; and
- d) Credit card transactions should not exceed the approval authority of the individual cardholder's supervisor.
- e) Cards shall only be used by the individual card holder. Any use by other staff members must be approved by the card holder's director.

6.2 Cardholder Responsibilities

- a) Safekeeping of the procurement card;
- b) Immediately notify the Manager of Treasury of lost or stolen cards;
- c) Retaining all procurement card receipts and identifying the purpose of the purchase;
- d) Reviewing the monthly statement for accuracy of charges;
- e) Complete the log form to indicate the account distribution and description for each purchase; and
- f) Forwarding the statement along with the log form, all receipts and any other supporting documentation to the cardholders Supervisor for approval within five (5) business days of the receipt of the statement.

6.3 Approval

All statements must be approved by the Supervisor of the cardholder. The Director's statement will be approved by the City Manager. The City Manager statements will be approved by the City Clerk or Director of Finance & Administration.

6.4 Termination of Employment

The credit card must be surrendered to the Manager of Treasury immediately upon termination of employment. The Manager of Treasury will cancel any cards that are surrendered, or upon notice of an employee no longer working for the City.

7.0 COMPLIANCE

An employee who fails to act in accordance with the provisions of the Purchasing Policy will be subject to appropriate disciplinary action. Council, the public, and the business community must have confidence in the integrity of the City employees.

8.0 REVIEW OF POLICY

- a) The Director of Finance & Administration shall submit recommendations to change the Purchasing Policy to the Finance Committee.
- b) All Changes to the Purchasing Policy require the final approval and adoption of Council.

IN WITNESS WHEREOF, this policy is sealed with the Common Seal of the City of Corner Brook.


MAYOR


CITY CLERK