

Town of Portugal Cove-St. Philip's

Expenditure and Purchasing Policy

Pursuant to the authority conferred by section 99 of the Municipalities Act 1999, the Town Council of Portugal Cove-St. Philip's has adopted the following policy on the 16th day of June, 2009

1.0 TITLE

- 1.1 This document shall be known and cited as the *Expenditure and Purchasing Policy*.

2.0 DEFINITIONS

- 2.1 "**Council**" shall mean the Town Council of Portugal Cove – St. Philip's.
- 2.2 "**Town**" shall mean the Town of Portugal Cove – St. Philip's.

3.0 POLICY STATEMENT

- 3.1 The purpose of this policy is to ensure that goods and services that are acquired by the Town of Portugal Cove-St. Philip's are done so in the most efficient and cost effective manner; and, to outline the expenditure control and approval processes required by Council, Town Manager, Department Heads and other Managers.

4.0 APPLICATION

- 4.1 This policy shall apply to goods and services acquired by the Town.

5.0 POLICY PROCEDURE/CLAUSES:

- 5.1 Public Tenders Required:

In Accordance with Section 9 of the Public Tendering Act:
Section 3 (2) (a) of The Public Tender Act of the Province of Newfoundland and Labrador shall be followed. Goods and services in excess of \$10,000 and a public work in excess of \$20,000, exclusive of goods and services and retail sales taxes shall be publicly tendered in accordance with the Public Tender Act.

- 5.2 Public Tenders **NOT** Required:

Goods and services or public works that do not require a public tender will require that quotes from at least three legitimate suppliers be obtained, with the lowest cost to the Town being accepted. For repeat orders, it

shall be necessary to obtain these quotes every 90 days. And further, the Town may choose to formally request standing offer pricing for a fiscal year. The Town recommends that quotes be obtained for amounts over \$2500 and for lesser amounts where practical to do so.

5.3 Authority Levels

In Accordance with Section 58 of the Municipalities Act 1999:

- All expenditures greater than \$5,000 must be approved by Council.
- The Town Manager may approve expenditures up to \$5,000 without the approval of Council if such expenditures have been approved in the budget.
- In the event of an emergency, the Town Manager may approve any amount without the prior approval of Council and shall report such expenditures to Council at its next meeting.

Department heads as listed below may approve expenditures up to \$1,500. This is applicable to normal operational items; however, any discretionary items, (items not included in the annual budget), including all travel advances or claims for Department Heads or those that may have potential political implications requires the approval of the Town Manager, who will in turn determine the applicability of Council approval.

1. Director of Financial Operations
2. Director, Public Works
3. Fire Chief
4. Town Clerk
5. Director, Recreation and Community Services
6. Director, Economic Development, Marketing & Communications

5.4 All purchases require a purchase order.

5.5 All invoices in excess of \$5,000, following approval by the Town Manager, Will be submitted to Council for approval during their 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 and hydro charges, standing orders, contracts, etc.

6.0 REPEALS

6.1 None.

7.0 AMENDMENTS

7.1 December 15, 2009, Motion #09-362
September 12, 2012, Motion #2012-301,

8.0 DATE EFFECTIVE/RESOLUTION

8.1 Date effective: June 16, 2009 Motion #:09-150