



**VILLAGE OF
HARRISON HOT SPRINGS
POLICY**

COUNCIL	POLICY NO. 1.08
PURCHASING & PROCUREMENT	DATE ADOPTED: December 15, 2008 August 16, 2010 AMENDMENTS: May 26, 2011 July 10, 2017 June 1, 2020

1. PURPOSE

The purpose of this policy is to maintain fiscal responsibility/accountability with the Village procuring the goods and services through an unbiased, open and competitive process that provides the best value to the Village considering purchase price, quality, delivery, installation and eventual disposition.

2. AUTHORITY & RESPONSIBILITY

It is the responsibility of individuals with purchasing authority to ensure purchasing practices serve the best interest of the Village and are in conformance with this policy. Individuals with purchasing authority are to ensure funds have been provided for in the budget for the proposed expenditures and that the expenditures will not result in a budgetary overage. All purchasing is authorized through the adoption of the Financial Plan except in circumstances authorized under the Emergency Purchasing Section of this policy.

3. PURCHASE ORDERS

Purchase orders shall be issued for all purchases (except exempt purchases – see *Appendix A*) and signed by an approved signatory.

Standing purchase orders may be issued for contractual services such as waste disposal, engineering, planning and land use services, or related professional services, within the limits of the approved Financial Plan, and not exceeding \$5,000.

The purchase order (PO) will be completed with the supplier name, date, quantity ordered, product or service description, price, *taxes, freight and any other charges*, and the project the purchase should be charged to.

4. EMERGENCY PURCHASES

Emergency situations may occur which require immediate commitment of materials, equipment and or services. An emergency expenditure is any expenditure that is the result of an event caused by an emergency or by forces of nature that results in the need to expend Village resources:

- a. To protect human life, safety or health;
- b. To protect property;
- c. To protect the environment; and
- d. To protect the economic interest of the community

In such situations, the authorized person in charge of the situation will approve any commitments made on behalf of the Village and will process the appropriate documents in a timely manner following the event. Where the expenditure can be accommodated within the Financial Plan, whether out of contingency funds or reallocations, the Chief Administrative Officer or the Financial Officer is authorized to approve the expenditure. Emergency purchases that cannot be accommodated within the Financial Plan will be authorized by the Chief Administrative Officer or Financial Officer and reported to Council following the event.

5. PURCHASE ORDER SIGNING AUTHORITY

The Chief Administrative Officer has delegated authority for the administration of Purchase Orders as follows:

- a. Chief Administrative Officer (up to \$25,000)
- b. Financial Officer (up to \$25,000)

The Chief Administrative Officer may assign purchase order signing authority to staff for approved budgeted expenditures as follows:

- a. Operations Manager (up to \$15,000)
- b. Corporate Officer (up to \$5,000)
- c. Community Services Coordinator (up to \$5,000)
- d. Public Works Foreman (up to \$5,000)
- e. Chief Utilities Operator (up to \$5,000)
- f. Fire Chief and Deputy Fire Chief (up to \$5,000)

Purchase Orders of more than \$25,000 with budget approval, must be co-signed by the Chief Administrative Officer and the Financial Officer.

For all purchases, more than one quote should be obtained. All quotes shall include duty, freight, deliver and taxes.

For any purchases in excess of \$5,000 there shall be at least three quotes (*see Appendix B*). If the lowest bid is not acceptable, then upon satisfactory justification, the Financial Officer or Chief Administrative Officer shall approve the purchase.

6. CREDIT CARD PURCHASES

The Chief Administrative Officer has delegated authority to administer and assign Corporate Village credit cards and purchasing limits to staff at his/her discretion, not to exceed the limits set in section 5 of the policy.

Credit card purchases shall be used mainly for conference bookings and travel, entertainment/meals of guests of the Village and purchases where a purchase order is not practical in the circumstances.

7. AWARDING OF CONTRACTS

The Chief Administrative Officer and the Financial Officer shall have the authority to award contracts up to \$25,000 providing it is included in the approved Financial Plan. All contracts in excess of \$25,000 shall be by written contract which shall be signed by the Corporate Officer or Chief Administrative Officer, and will require a resolution of Council if not already included in the Financial Plan. All contracts in excess of \$50,000 shall be subject to a competitive process such as a tender, request for quotes or request for proposal.

8. VENDOR SELECTION

All approving signatories shall seek the greatest possible effectiveness for the Village's purchases. There are many factors which should be considered when making purchases, in no particular order:

- a. Price;
- b. Quality of goods/services;
- c. Warranty;
- d. Degree of suitability with requirements and/or specifications;

- e. Availability of the goods or service (urgency at times will be a factor);
- f. Timeliness of delivery;
- g. Quality of support, follow-up and repair service;
- h. Supplier's previous performance, including vendor's financial stability and business reputation;
- i. Balancing of quantity discounts with storage availability;
- j. Standardization with other equipment and suppliers

9. GENERAL

It shall be the responsibility of all employees to follow the purchasing policy of the Village of Harrison Hot Springs. The Village of Harrison Hot Springs reserves the right to recover costs from an employee for any and all costs associated with an improper expenditure.

APPENDIX A
PURCHASES EXEMPT FROM PURCHASE ORDERS
(But not exempt from appropriate approval)

1) Petty Cash

2) Training and Education

- Conference fees
- Convention fees
- Course fees
- Meeting expenses
- Membership or dues
- Periodicals, magazines, and subscriptions
- Seminars
- Staff training and development
- Staff workshops

3) Refundable Council and Employee Expenses

- Mileage allowance – vehicles
- Travel expenses, meals, parking, hotel, etc.

4) Other Payments

- Debt payments
- Licenses (vehicles, radios etc.)
- Medical and dental
- Payments collected and remitted on behalf of other agencies
- Payment of damages
- Payroll deduction remittances
- Petty cash reimbursements

5) Utilities

- Cable/Internet
- Fuel
- Hydro
- Telephones
- Water
- Sewer

6) General

- Inspection and permit fees to other governments
- Land registry fees
- Municipal and inter-municipal grants and cost sharing
- Operating grants and Council approved grants
- Postage
- Salaries, wages, casual help and related disbursements
- Office recycling

7) Professional

- Accounting and audit
- Banking
- Insurance
- Legal

8) Other

- Property purchases

**APPENDIX B
VILLAGE OF HARRISON HOT SPRINGS
QUOTATION EVALUATION FORM**

For purchases in excess of \$5,000

COMPANY NAME: _____ PRODUCT DESCRIPTION: _____

PHONE: _____

QUOTATION: _____

CONTACT NAME: _____ DATE RECEIVED: _____

E-MAIL: _____

COMPANY NAME: _____ PRODUCT DESCRIPTION: _____

PHONE: _____

QUOTATION: _____

CONTACT NAME: _____ DATE RECEIVED: _____

E-MAIL _____

COMPANY NAME: _____ PRODUCT DESCRIPTION: _____

PHONE: _____

QUOTATION: _____

CONTACT NAME: _____ DATE RECEIVED: _____

E-MAIL: _____

VILLAGE DEPARTMENT _____ SIGNATURE _____

FINANCIAL OFFICER or CHIEF ADMINISTRATIVE OFFICER _____