



## POLICY 3.5 PURCHASING AND ACCOUNT PROCESSING

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Department:	Finance	Date Approved:	Oct. 28/16
Reviewed:	October 28, 2016		
Rescinds:	511/18/12/15	Board Res. No:	622/28/10/16
	201/01/15/14		

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**PURPOSE:**

To establish effective purchasing and account processing procedures to achieve management control of company expenditures. Purchasing will be conducted in a manner where as many local suppliers as reasonably possible are given an opportunity to participate. Consideration will be given to price, quality and serviceability prior to purchasing commitments being made.

**SCOPE:**

It is necessary for the Peace Regional Waste Management Company to have clearly-stated policy regarding purchasing and account processing in order to remain accountable to the shareholders.

**POLICY:**

1. For purposes of implementing the above policy, the following positions are assigned expenditure officer status:
  - a) The Chairman, or the Deputy Chairman in the Chairman's absence.
  - b) The General Manager, or in his absence, a designate.
  - c) The Director of Finance.
2. The General Manager or his designate will authorize and approve any purchases for items included in the annual budget. Department Heads are authorized to sign for all single purchases under \$1,000.00.
3. Completed purchase orders should be issued prior to purchases being made. Purchase order numbers may be issued by an approved expenditure officer over the telephone in order to secure purchases.
4. Purchase order books are considered contracts of the Company, and therefore, must be kept in a secure location.
5. Standing purchase orders may be issued for goods and services that are needed on an on-going basis for a period of no more than one (1) year.

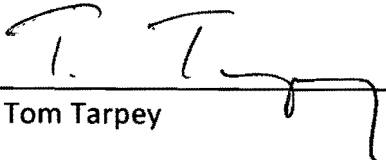
6. "For single purchases in value over \$10,000.00, either budgeted or un-budgeted, quotes should be sought from three suppliers, where possible. These quotes must be in writing (faxes and emails will be accepted). A record of quotes received should be maintained by the expenditure officer."

"Where the procurement value is:

- (i) \$75,000 or greater for services; or
- (ii) \$200,000 or greater for construction

PRWMC must post tender notices for all covered procurement through an electronic tendering system or systems. Additional means of providing notices may also be used."

7. Factors which may be relevant in awarding tenders or requests for proposals include the following:
- a) quality of workmanship;
  - b) condition of employment;
  - c) capability and experience of the operator;
  - d) starting and completion/delivery dates;
  - e) residual/salvage value of the equipment, if purchased; and
  - f) amount of work that has been previously carried out by the bidder for the Company
8. Purchase orders will not be required for purchases of less than \$1,000.00. Expenditure officers may assign purchasing capabilities to staff for items of less than \$1,000.00.
9. Every effort shall be made to ensure payment is made within 30 days from the invoice date or 20 days from the receipt of the invoice whichever is less. Every effort shall be made to take advantage of any benefit from offered discounts and/or not result in late charges being assessed. In the instance where a statement is not issued, payment terms shall be negotiated with the vendor prior to purchase.

  
Chair – Tom Tarpey

  
General Manager – Art Sawatzky