



POLICY

No. 101

Department: Administration

Approving Resolution: 06.02.2026

PURCHASING POLICY & SURPLUS EQUIPMENT DISPOSAL POLICY

SCOPE:

The Town of Virden will procure all goods, services and construction of assets in accordance with this policy.

PURPOSE:

The purpose of this policy is to establish procedures and provide direction to Town staff as they engage in purchasing and asset disposal activities. The policy seeks to balance employee empowerment with appropriate internal controls and ensure that the municipality receives the best value for taxpayer dollars, while involving and informing Council with respect to significant or sensitive purchasing decisions.

The Town will seek to obtain goods and services of required quantity and quality from reliable suppliers at the proper time and place consistent with the needs of the municipality.

RELATED POLICIES:

Current Financial Plan

DEFINITIONS:

Best value: refers to the lowest cost with consideration provided for factors such as: cost of acquisition, quality, availability and delivery timelines, maintenance costs, performance, cost of training, warranty and impact on environment.

Department heads: refers to the Chief Administrative Officer, Chief Financial Officer, Operations and Facilities Manager, Assistant Chief Administrative Officer, Development Officer, Office Manager, Economic Development Manager

Local Supplier: Vendor or service provider based within the Town of Virden, holding a Town business license in good standing.

Public Procurement Process: refers to Tenders, Calls for Proposals or similar processes whereby the public is given notice and opportunity to respond without obstacles, impediments or geographic discrimination.

POLICY OBJECTIVES:

1. Establish purchasing authorities
2. Identify thresholds for the different purchasing processes
3. Provide guidance to staff for all situations that require the procurement of goods or services

GENERAL

1. Council may waive, through resolution, amend any or all of the processes and restrictions of this policy, unless such an action would contravene any applicable legislation or trade agreement such as the New West Partnership Trade Agreement (NWTPA).
2. Department heads are to ensure sufficient funds are available as per the current Council adopted operational and capital budget prior to the acquisition of any goods and/or services.
3. Employees having any personal interest that may encroach or may be reasonably deemed by others to encroach or affect the impartiality of a purchasing decision, shall declare any such interests to a department head.
4. Any employee who willfully acquires goods or services in contravention of this policy may be subject to disciplinary action.
5. It is prohibited to divide or separate purchases or contracts in order to avoid or circumvent the procedures outlined in this policy.
6. The CAO and Office Manager, advised by the CFO and ACO, are responsible for the oversight of the purchasing function.
7. Through this policy, Council delegates to administration the authority to incur expenditures in accordance with the current year's Financial Plan through the processes set out in this policy.

COUNCIL APPROVAL

Council approval or receipt of Accounts Payable (A/P) at a Regular Meeting is the general method by which Council reviews and ratifies the majority of purchasing decisions on a regular basis as part of their governance duties.

Council approval (by specific authorizing resolution) is required when:

1. A contract, purchase or specific expense value cannot be accommodated within the current year's Financial Plan;
2. The expenditure is equal to or greater than \$25,000 and not appropriately identified in the current year's Financial Plan;
3. The project is eligible for funding from a senior level of government and requires a Council resolution of approval;
4. The CAO, CFO or ACO deems it in the Town's best interest to obtain Council approval (e.g. high value multi-year, capital or consulting contracts; sensitive purchases);
5. A land and improvement purchase (or sale) is being considered;;
6. A Public Procurement Process of \$75,000 or greater has left room for Council discretion in terms of the award decision or the CAO/designate seek a resolution;
7. The CAO, Mayor or Council requests that a particular budgeted project or expense come before Council for a resolution of award or approval.

In all such instances a recommendation will be made by the CAO or designate, with a report sent to Council.

STAFF AUTHORIZATION

1. Department head purchasing authority generally requires that purchases are included in the Council-adopted Financial Plan, following the purchasing process in this policy. This authority is delegated from the CAO down and monitored for compliance;
2. An expenditure not identified in the current year's Financial Plan must be sent to the CAO or designate for review and decision regarding approval or referral to Council;
3. All staff are expected to closely engage and inform their department head of departmental purchasing they make in line with the current Financial Plan and this policy, seeking verbal or written permission to proceed when deemed appropriate.

PURCHASING PROCESS

Table 1: General Purchasing Process Thresholds		
\$ -	\$2,499	No quotes, but local 'Shopping Around' encouraged
\$ 2,500	\$4,999	Multiple verbal quotes; three (3) preferred, local encouraged
\$5,000	\$74,999	Multiple written quotes; three (3) preferred*, local encouraged
\$75,000 or greater		Public procurement process, local businesses alerted
NWPTA Thresholds for placement on MERX.		
Goods	Services	Construction
\$75,000 or greater	\$75,000 or greater	\$200,000 or greater

*CAO or Department Heads may require that a public procurement process is run for purchasing in this range if deemed appropriate for competitiveness, niche vendor selection or public transparency. Local advertising should be used via website and social media.

Verbal Quotes

No documentation or record will be maintained. The employee, acting within their authority as specified in this policy, will make all reasonable efforts to obtain the quotes and other applicable information to determine best value for the municipality.

Written Quotes

The employee will obtain quotes and retain the records for the Chief Financial Officer. A written quote may be in paper format (typed/printed letter, fax, etc.) or an electronic record (email) from the potential vendor.

Public Procurement Process

Common and/or best practices should be followed when a purchase is to proceed through a public procurement process. The common and/or best practice refers to:

- (1) the planning and design of the procurement document;
- (2) advertisement and notice of the planned purchase;
- (3) the receipt of responses;
- (4) the opening of responses; and
- (5) the assessment and award of the goods or services
- (6) inclusion of a discretionary clause such as "lowest or any bid not necessarily accepted".

Discretionary Clauses

Depending on the type of procurement process used, a discretionary clause does not give the Town an automatic right to do as it pleases, treat suppliers unfairly, have hidden preferences, nor does it necessarily give it the right to award to a bidder other than the low bidder if the low bidder is fully qualified and meets all specifications or criteria. Great care must be applied in its use and interpretation.

Public-Private Partnership Procurement Processes

The process for "3Ps" is the same as for all other procurements and the NWPTA still applies. Unsolicited proposals that exceed NWPTA thresholds on municipal procurement must result in a competitive and fair public procurement process even if they are well received.

Other Municipalities as Contractor/ Service Provider

Caution and due diligence should be exercised before any 'direct award' process is considered for contracting another local government to provide services. Depending on the context and circumstances, particularly if another municipality is offering a service readily provided by the private sector, NWPTA exceptions for purchasing between public sector entities may not apply.

MULTI-YEAR CONTRACTS

1. Multi-year contracts should be treated in accordance with this policy as if all payments over the duration of the contract were made at one time. For example, a 36-month contract for services that has a monthly cost of \$100.00 (including taxes not recovered by the municipality) should be treated the same as a one-time purchase of \$3,600.00.
2. The Chief Administrative Officer is authorized to contract 'Vendors of Record' under a Master Services Agreement (MSA) for three to five years provided that an appropriate public procurement process (Request for Proposals; Request for Expressions of Interest; Request for Qualifications) has first taken place. This allows a small plurality of pre-qualified vendors (for example, engineers) to be available to provide services on an as-needed basis in required consulting or other disciplines under predictable terms. It does not bar the Town from procuring outside of a MSA should it need to.

EXCEPTIONS

1. For certain types of purchases, due to their nature or those that regularly reoccur that when considered in total for a given year would normally require the approval procedures described in this policy, it would be impractical to follow the default procedures and so the following will only require the approval of the Chief Financial Officer or Chief Administrative Officer:
 - Bank fees;
 - Communications, such as telephone, internet and cell phones
 - Cooperative purchasing done in conjunction with other governments;
 - Debt services payments;
 - Grants and donations;
 - Legal fees;
 - Payroll, related remittances and payments related to employee benefits;
 - Payment of taxes collected on behalf of other governments and agencies;
 - Postage charges;
 - Utility charges.
2. Applicable public procurement processes may be waived in the following situations with a detailed staff report:
 - in an emergency or time sensitive situation related to a grant aid expenditure deadline;
 - in the case of specialized items or services where a limited number of suppliers is known (defensible sole supplier procurement);
 - where Council, by special resolution, makes a direct award that is below NWPTA public procurement process thresholds.

3. Priority consideration will be given to quotes from local suppliers (with a Town of Virden business license in good standing) for purchases up to a threshold of \$10,000 if their quotes or bids are within 10 per cent of the lowest price, bid or proposal.

PURCHASE ORDERS

A new Purchase Order approach, reflecting purchasing process thresholds in Table 1, should be introduced organization wide by July 1st 2027, with the following exceptions:

- Routine monthly goods and services;
- Goods and services that are already reviewed by the Annual Material and Equipment process;
- Good and services that already require or have been determined merit a standalone public procurement process;
- Emergency Purchases.

Purchase Order procedure shall be captured in a Standard Operating Procedure (SOP), signed off by the CAO and distributed to all staff.

PURCHASING AND REBATE/ GRANT PROGRAMS

Purchases that involve the completion of paperwork by a private supplier of goods and services in order to obtain a rebate or grant must follow the purchase process in Table 1. A private business bringing such an opportunity to light, for example, is not an acceptable rationale for bypassing the purchasing policy.

MANAGING PARTNER AUTHORITY

Where the Town has certain delegated authorities with respect to purchasing for assets or services under partnership agreements (e.g. intermunicipal), this policy shall be generally used to guide the approach to purchasing within the thresholds and delegated authorities provided under said agreement. Staff should review authorities and process under the agreement before engaging in purchasing or procurement where applicable.

ANNUAL MATERIAL AND EQUIPMENT PROCESS

Pricing submissions concerning estimated rates for the provision of certain construction equipment rentals and materials, vac truck/ hydrovac services, sidewalk repair, patching and replacement, and tree trimming/removal are sought annually and reported back to Council confidentially in tabular form.

The information on all the rates collated is shared with various departments to assist with purchasing for the year. Staff with purchasing authority are not expected to exclusively use one or the cheapest supplier (every project and need can have a different context), but the prices are to be considered a baseline guide for purchase decision-making and budgeting.

PETTY CASH

Purchases of up to \$200.00 may be purchased through the use of petty cash at the Town Office. The Office Manager, or appropriate department head, will be responsible for the administration of petty cash.

A signed record (such as a signed receipt) must accompany the petty cash withdrawal. A brief description of the expense should be included with the record where practical.

EMERGENCY PURCHASES

Situations may arise where delays in purchasing actions result in imminent danger to persons or property. In these situations, employees should attempt to contact their department head for verbal authorization, however in instances where a department head cannot be contacted or the situation necessitates immediate response then the employee is permitted to deviate from the procedures outlined in this policy.

In such instances, employees are required to follow up with a report to their direct supervisor and attempt to obtain the purchasing documentation in a reasonable timeframe following the conclusion of the emergency.

ENVIRONMENTAL CONSIDERATIONS

In an effort to reduce Greenhouse Gas (GHG) emissions priority consideration may be provided to products and services that have recognized energy efficiency certifications, are made from recycled materials, minimize the use of energy and/or material in the manufacturing process, or in the case of vehicles and equipment have better fuel efficiency.

CREDIT CARDS

Only staff and elected officials who currently hold municipal signing authority may hold a Town credit card for purchasing.

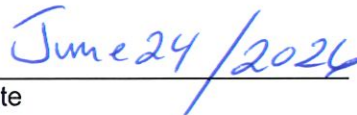
SURPLUS EQUIPMENT DISPOSAL

1. Each year, each department head will forward to the Chief Financial Officer/ ACAO a list of surplus equipment, complete with a description of each item and a minimum bid if applicable;
2. In the case of vehicles and equipment, Operations staff must remove all corporate logos and decals. Keys and registration must be provided to the Chief Financial Officer or Office Manager prior to Disposal;
3. For IT equipment and telecommunications:
 - All IT equipment must be sent to the IT contractor prior to disposal.
 - All telecommunications equipment (i.e. cell phones, personal data devices) must be void of confidential and personal information prior to disposal. It is the employee's responsibility to erase such information.
4. Surplus vehicles, equipment, and furniture may be advertised online and/or local papers for sale on an "as is where is" basis without warranty.
5. Public sale process, if selected, is by sealed bid or auction process as deemed appropriate by the Chief Financial Officer.
6. Payment must be rendered prior to the purchaser taking possession. Failure to render payment within 10 business days will result in sale termination and other bidders being contacted/ the asset being re-advertised or withdrawn from sale.
7. Surplus vehicles or equipment may be used for trade-in value with respect to the purchase of new vehicles and equipment.
8. Items considered to be potential 'heritage' or antique assets must first be referred to Council for direction on both appraisal and retention.

9. Private approaches to purchase surplus vehicles or equipment can be approved by either the Chief Financial Officer or CAO if the agreed value and sale price is \$25,000 or less. Proposals of a greater value must be considered and approved by Council.
10. Sale proceeds revenue is automatically transferred to an applicable reserve as identified by the Chief Administrative Officer unless the revenue will be applied to a replacement purchase in the same financial year.



CHIEF ELECTED OFFICIAL



Date



CHIEF ADMINISTRATIVE OFFICER



Date