



Title: Purchasing Policy	Internal/External
Department: Corporate Services	Policy Number: CS-020
Approval Date: December 13, 2011	Implementation Date: December 14, 2011
Revision Approval Date: March 24, 2026	Revision Implementation Date: March 26, 2026

BACKGROUND

As a publicly funded institution, the Town of Paradise has a duty to ensure that purchases are made in a responsible manner. The Town is required under Government of Newfoundland and Labrador legislation to adhere to the *Public Procurement Act*, as well as set spending limits for administration and staff as per the *Towns and Local Service District Act*. The policy was adopted and revised by Council as per the Revision History section.

OBJECTIVE/PURPOSE

The Town requires 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 Town of Paradise in an efficient and cost-effective manner, while maintaining the controls necessary for a public agency, in accordance with Provincial and Federal legislation.

LEGISLATIVE REQUIREMENTS

Public Procurement Act, SNL2016 CHAPTER P-41.001 and accompanying Public Procurement Regulations 13/18 and Public Procurement Policy

Towns and Local Service Districts Act, SNL 2023, CHAPTER T-6.2

Access to Information and Protection of Privacy Act, 2015, SNL2015 CHAPTER A-1.2

DEFINITIONS

“Award” – the selection of the bidder and the bidders’ goods and/or services, as accepted/approved by the Town.

“CAO” – Refers to the Chief Administrative Officer of the Town of Paradise

“Change Order” – An amendment within the requirements of an existing contract, or an extension of a contract, that is accessory to and does not change the nature of the contract.

“Contract” – The agreement between the Town and a supplier for the supply of goods and/or services.

“Council” – Refers to the elected Town Council of the Town of Paradise. The Council’s powers and responsibilities originate in the *Towns and Local Service Districts Act*.

“Department” – An organizational unit of the Town headed by a Director.

“Director” – The Town staff responsible for the operation of a Town Department and includes any person who has been authorized, in writing, to temporarily act during absence or vacancy in that office.

“Emergency or Urgency” - A situation, or the threat of an impending situation, as determined by the Town, which may affect the environment, the life, safety, health and/or welfare of the general public, or the property of the Town or the residents of the Town, or to prevent serious damage, disruption of work, or to restore or to maintain essential service to a minimum level.

“Goods” – Goods, chattels, material, personal property, movable property and other physical objects of every kind, including items required to be manufactured or on which a labour or skill is required to be expended before, upon or after delivery to a public body.

“Group Purchasing” – The purchasing of goods and/or services by 2 or more public bodies.

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

“Manager” – Town staff with the title of Manager within a Department and includes any person who has been authorized, in writing, to temporarily act during absence or vacancy in that office.

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

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

“Public Body” –

- A department of the government of the province.
- Corporation in which not less than 90% of the issued common shares are owned by the Crown.
- Corporation established by an Act under which the corporation is made an agent of the Crown.
- A municipality or local service district under the *Towns and Local Service Districts Act*, *City of Mount Pearl Act*, *City of St. John’s Act* and the *City of Corner Brook Act*.
- A school board elected under the *Schools Act, 1997*.
- An agency or authority of the province.
- Provincial health authority established under the *Provincial Health Authority Act*.
- Board, commission, corporation, Royal Commission or other body designated by the Lieutenant-Governor in Council as a public body.

“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:

- All services incidental to the supply of goods including the provision of transportation of all kinds
- Printing and reproduction services
- Accounting services
- Land survey services
- Voice telephone services
- Engineering service,
- Architectural services
- Banking services not captured under professional services,
- Insurance services
- Services that require the giving of an opinion, creativity, the preparation of a design, or technical expertise except those services defined under professional services,
- All other services not considered to be professional services.

“Supervisor” - Town staff with the title of Supervisor or Foreperson within a Department and includes any person who has been authorized, in writing, to temporarily act during absence or vacancy in that office.

“Supplier” – An individual, partnership, corporation, joint venture or other form of business organization engaged in the lawful supply of goods and/or services.

“Town” – Means the Corporation of the Town of Paradise

GUIDELINES AND PROCEDURES

1. Scope

This Policy applies to all Town employees participating in the procurement process; including those delegated with approval authority.

2. Responsibilities

2.1. CAO

- i. Authorize purchases in accordance with approval authority.
- ii. Execute contracts on behalf of the Town.
- iii. Review payment register to ensure compliance with policy and approve the release of payment.

2.2 Directors

- i. Authorize purchases in accordance with approval authority.
- ii. Ensure staff compliance with this policy, legislation and related procedures.

- iii. Direct and oversee purchasing activity within respective department.
- iv. Oversee the management of all contracts led by or coordinated by their department.
- v. Ensure appropriate budgets are in place for all purchases, including addressing any known significant budget shortfalls prior to issuance of competitive process.
- vi. Review and/or develop purchase specifications, terms and conditions, as required.
- vii. Participate in procurement processes, as required, or in the absence of their department staff.
- viii. Ensure delegations of authority within the Department are properly documented and reported.
- ix. Develop annual procurement plan for Department and liaise with Procurement staff on Department purchasing activities, issues and compliance.
- x. Prepare and present purchasing awards and reports to committees and Council.
- xi. Ensure G/L code(s) for approved purchase orders, cheque request or invoices are accurate for the expenses

2.3 Managers & Supervisors

- i. Authorize purchases in accordance with approval authority.
- ii. Direct and oversee purchasing activity within area of supervision.
- iii. Ensure staff compliance with this policy, legislation and related procedures.
- iv. Participate in the procurement process including conducting research, development of specifications, terms and conditions, cost estimates, evaluation criteria and participation in evaluations.
- v. Ensure appropriate budgets are in place for all purchases, including addressing any known significant budget shortfalls prior to issuance of competitive process.
- vi. Prepare and present purchasing awards and reports to committees and Council.
- vii. Manage contracts in their respective areas of work and supervision, including the tracking of expiry dates, renewal options and actioning new opportunities or renewals in a timely manner
- viii. Manage supplier performance including addressing issues, maintaining documentation and reporting issues to procurement staff.
- ix. Ensure no goods or services are ordered, requested, delivered or performed until after a purchase order or contract is executed, except where emergency or urgent situations arise.
- x. Ensure proper documentation of procurement activity is completed, retained and provided to procurement.

- xi. Advise Procurement staff of any issues with respect to procurement activity, contract management and supplier performance.
- xii. Participate in annual procurement planning for Department and area of supervision.
- xiii. Ensure G/L code(s) for approved purchase orders, cheque request or invoices are accurate for the expense.

2.4 Manager, Purchasing

- i. Oversee and coordinate procurement activity and processes, including review of annual Departmental plans and Procurement staff capacity.
- ii. Develop, implement and maintain all Procurement policies, procedures and practices, including development of collaborative procurement plans and opportunities.
- iii. Monitor Town wide procurement activity to ensure compliance with policy, legislation and processes, including initiating internal auditing.
- iv. Provide procurement advise and guidance to Departments, including selection of appropriate procurement strategy and advise on supplier performance and contract management.
- v. Ensure Department staff, bidders, and suppliers are aware of ethical standards and ensure adherence to those standards.
- vi. Report on procurement activity and provide relevant reports to Departments, CAO and Council.
- vii. Review and advise on bidding issues, disputes and contract issues and engage legal were required.

2.5 Procurement Specialist

- i. Oversee, coordinate and administer competitive procurement activity and processes, including the selection of appropriate procurement strategies.
- ii. Review procurement plans and documents and ensure that competitive processes are unbiased, reasonable, compliant and structured as to provide best value to the Town and end user. Address any issues with staff.
- iii. Assist to develop, implement and maintain Procurement policies, procedures and practices.
- iv. Monitor Town wide procurement activity to ensure compliance with policy, legislation and processes, including conducting internal auditing. Advise departments of any issues.
- v. Maintain care, custody and control of records for all competitive procurement processes, contracts, exceptions, change orders and supplier performance.
- vi. Provide procurement advise and guidance to Departments, including selection of appropriate procurement strategy and advice on supplier performance and contract management.

- vii. Ensure reporting standards per policy and legislation are met.
- viii. Ensure Department staff, bidders, and suppliers are aware of ethical standards and ensure adherence to those standards.
- ix. Manage bidding issues, disputes and contract issues, including development and action of resolutions.
- x. Report on procurement activity and provide relevant reports to Manager Purchasing, Departments and CAO.
- xi. Carry out responsibilities as delegated by the Manager, Purchasing.

3. Approval Authority

- 3.1. In accordance with the *Towns and Local Service Districts Act, Section 63*, Council will adopt, by resolution, a maximum amount by which Town Staff may approve purchases for the purpose of carrying out business on behalf of council.
- 3.2. All purchases shall be approved prior to the purchase being made, and where applicable, a purchase order issued.
- 3.3. Any person delegated approval authority pursuant to this policy shall ensure that an approved budget exists for the proposed procurement.
- 3.4. The following body and persons shall have the respective Approval Authority as set out below. All limits are exclusive of HST:
 - i. Supervisors – are authorized to approve procurements of a value up to \$2,500 within their respective departmental budgets.
 - ii. Managers – may approve procurements of a value up to \$7,500, where there are sufficient funds allocated in the approved budget.
 - iii. Directors– may approve procurements of a value up to \$15,000, where there are sufficient funds allocated in the approved budget.
 - iv. CAO - may approve procurements of a value up to \$25,000, where there are sufficient funds allocated in the approved budget.
 - v. Council – prior approval must be obtained for:
 - a. all purchases greater than \$25,000 except:
 - Payroll expenses and disbursements
 - Utilities
 - Regional service costs
 - Legal
 - Reoccurring fees, subscriptions, and licensing
 - Invoices / progress claims for contracts previously approved/awarded by Council

- b. Purchases where there are insufficient budget funds.
- c. Change orders where:
 - The value is \$1,000,000 or more.
 - The funds for the project have been exhausted.
 - The aggregate of all change orders issued on the project exceeds 10% of the original contract value or \$15,000, which ever is greater.
 - The funding agreement requires the public body to approve any changes, regardless of the value or whether it is a cost or credit.

3.5 Delegation of Approval Authority

To cover for vacation and other forms of leave, Approval Authority may be delegated.

4. Procurement Planning

Procurement planning is the first and most integral step in the acquisition process. Proper planning ensures an effective and efficient process with greater surety of a success. Good planning allows staff to determine the requirements necessary for operational needs; provides opportunity to combine like goods and services and quantities across departments to create process efficiencies and maximize value for money. Planning will also identify potential issues such as supply chain issues, sources of supply or budget concerns and allow for risk mitigation and appropriate strategies to overcome such issues.

- 4.1. Departments must complete the following planning components prior to issuance of a competitive process:
 - i. Identify good, service or public work required to meet business requirements.
 - ii. Identify timelines allowing sufficient time to complete all phases of procurement including department duties, solicitation and award process, contract execution and good/service implementation.
 - iii. Identify potential supply sources.
 - iv. Develop unbiased specifications for the commodity, including required terms and conditions for the good or service, evaluation criteria, insurance and health and safety requirements. Ensure specifications are generic, clear, concise and encompass all operational, functional and performance requirements over the life of the good or performance of services.
 - v. Determine estimated value; ensuring it is reflective of current market rates and includes all costs such as freight, exchange, duties, fees, commissions, interest, etc.
 - vi. Determine potential obstacles, risks, and other barriers to a successful acquisition including, limited suppliers, supply chain constraints, budget shortfalls, etc.

- vii. Ensure sufficient budget is in place. Where, based on the estimated value, there is a known or potential budget shortfall, departments shall be addressed prior to issuance of procurement opportunity.
- viii. Engage procurement staff to determine staff capacity, time frame for opportunity and discuss procurement strategy / tools, barriers to success, and strategies to mitigate issues.
- ix. Engage legal on complex projects to ensure appropriate mitigation measures are considered, including opportunity or contract terms and conditions.

5. Acquisition Process

- 5.1. 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 or underestimated to avoid the conditions of the policy. Where a purchase includes a combination of goods and services, an estimated value shall be determined for each component. In determining whether an open or limited call for bids is required, the threshold for the component which represents the larger portion of the cost of the purchase will govern.
- 5.2. The Town 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.
- 5.3. All departments will directly purchase all goods and services for their departments except for:
 - i. Vehicles and equipment - coordinated through the Department of Public Works
 - ii. Personal protective equipment – in consultation with the Safety Division of the Department of Corporate Services and coordinated through the Department of Public Works
 - iii. Computer hardware, software and mobile devices - coordinated through IT Division of the Department of Corporate Services
- 5.4. All purchases that require an open call for bids or a formalized limited call for bids will be coordinated through the Procurement Division of the Department of Corporate Services.
- 5.5. Limited call for Bids
 - i. A minimum of three (3) written quotes must be obtained for the categories and thresholds listed in Appendix A.
 - ii. Where 3 quotes cannot be obtained, staff are required to provide written 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*.
 - iii. 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.

iv. Where goods or services are of a complex nature or require specific expertise, Departments should seek quotes through a formalized Limited Call for Bids process. Formalized Limited Call for Bids will be coordinated through the Procurement Division of the Department of Corporate Services.

v. Exception

Limited call for bids does not apply to the following expenses:

- a. Utilities including electricity, postal services, telephone, and fuel.
- b. Regional services: water, fire, waste, wastewater, policing.
- c. Employee disbursements such as advances and attendance at seminars, conventions, workshops etc.
- d. Payroll related expenses, insurance claims, licenses, memberships, subscriptions, media and advertising, and
- e. Legal services and financial services relating to the provision of credit and instruments of monetary policy.
- f. Services relating to the sale of capital assets.
- g. Where the Town has:
- h. An existing Standing Offer Agreement in place
 - a. Delegated its authority to participate in a group purchasing or standing offer agreement opportunity with another public body.
- i. An emergency as defined in this policy.

5.6 Open Call for Bids

- i. An open call for bids is required for goods and/or services over the threshold as defined in the *Public Procurement Act*. Current thresholds are outlined in Appendix A.
- ii. Services do not include legal services or financial services relating to the provision of credit and instruments of monetary policy.
- iii. All open call for bids will be coordinated through the Procurement Division of the Department of Corporate Services.
- iv. Exceptions to the Open Call process are per section 7.1, 7.2 & 7.3 of the *Public Procurement Act* and will be evaluated and approved by the Procurement Division of the Department of Corporate Services prior to purchase.

5.7 Sole Source

Sole Source items must be reviewed and approved by Procurement staff for compliance with the Sole Source criteria as outlined in the Public Procurement Policy, prior to moving forward with the purchase.

5.8 Emergency

In the case of an emergency or urgent situation, the CAO may authorize any amount without the prior approval of Council and shall report such expenditures to Council at its next public meeting.

6. Reporting Requirements

6.1. Internal Reporting

The Procurement Division of the Department of Corporate Services will be the central record holder for procurement records. All competitive processes, exceptions and change orders must be reported to procurement staff.

6.2 Public Reporting

Per the legislation, the Town is required to publicly report:

- i. Open Calls - All open calls for bids including notice, amendments, cancellations and award.
- ii. Limited Calls – Award information
- iii. Exceptions to Open Calls – Award information

Reporting thresholds for 6.2 1. and 6.2 11. are outlined in Appendix A.

6.3 Change Orders

The Town must file a change order report with the Public Procurement Agency within three months of the end of the fiscal year. Reporting includes:

- i. Aggregate value of change orders over 10% of the original contract value or \$15,000, which ever is greater
- ii. Any change order of \$1,000,000 or greater

7. Disposal Of Assets

Disposal of Town assets will be in accordance with Section 190 of the *Towns and Local Service District Act*.

8. Compliance

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

REVIEW OF POLICY

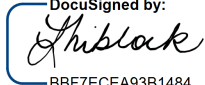
The Director of Corporate Services shall submit recommendations to change the Purchasing Policy to the Administration and Corporate Services Committee. All Changes to the Purchasing Policy require the final approval and adoption of Council. Changes to the Purchasing Procedures and Guidelines require the approval of the Director of Corporate Services.

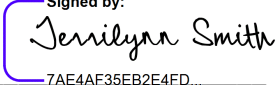
REVISION HISTORY

Version	Approval Date	Motion Number
Original Adoption	December 13, 2011	M11-312
Revision 1	April 18, 2017	M17-091
Revision 2	December 17, 2019	M19-402
Revision 3	July 21, 2020	M20-155
Revision 4	October 1, 2024	M24-372
Revision 5	March 24, 2026	M26-061

APPROVAL

Signed by:  9E6151778A474B6...
Mayor: _____ Date: March 28, 2026 | 2:48:13 PM NDT

DocuSigned by:  BBF7ECEA93B1484...
CAO: _____ Date: March 27, 2026 | 4:52:19 PM NDT

Signed by:  7AE4AE35EB2E4ED...
Director, Corporate Services: _____ Date: March 30, 2026 | 9:33:13 AM NDT

APPENDIX A - THRESHOLDS

All thresholds are exclusive of HST and include the full cost to acquire the good and/or service, including freight charges.

Limited call

Goods	Of a value greater than \$5,000 and not more than \$139,000
Services	Of a value greater than \$10,000 and not more than \$139,000
Public Works	Of a value greater than \$20,000 and not more than \$347,400
Lease of Space	Of a value greater than \$10,000 and not more than \$100,000

Open Call

Goods	\$139,000 or greater
Services (including engineering and architectural services)	\$139,000 or greater
Public Works	\$347,400 or greater
Lease of Space (Contract Value)	\$100,000 or greater

Reporting

Goods	\$10,000 and above
Services (including engineering and architectural services)	\$50,000 and above
Public Works	\$100,000 and above