

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF DECEMBER 11, 2012

Item 1, Report No. 14, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on December 11, 2012.

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DRAFT PURCHASING CARD POLICY

The Finance and Administration Committee recommends approval of the recommendation contained in the following report of the Commissioner of Finance & City Treasurer, dated December 3, 2012:

Recommendation

The Commissioner of Finance & City Treasurer, in consultation with the Acting Director of Purchasing Services and the Director of Financial Services recommends:

1. That the Draft Purchasing Card Policy be received for input and comments; and
2. That staff report back in early 2013 with the final Draft Purchasing Card Policy for approval.

Contribution to Sustainability

Not applicable

Economic Impact

There is no economic impact associated with this report. The redeployment of a staff position from the Financial Services Department to Purchasing Services Department will not impact the operating budget, as it is fully funded within the existing base budget.

Communications Plan

Not applicable

Purpose

The purpose of this report is to introduce a Draft Purchasing Card Policy for input and comments from Members of Council. Staff will report back with the final draft Purchasing Card Policy in early 2013 for approval.

Background Analysis and Options

On October 30, 2012, Council approved the Consolidated Purchasing Policy and a recommendation from staff that a Procurement Card (P-Card) Policy be developed and provided to Council in the fall of 2012.

The attached "Draft Purchasing Card Policy" is provided for Council's comments and input. Subject to comments from Members of Council, staff will report back with the final Draft Purchasing Card (P-Card) Policy for approval.

The draft policy sets out the responsibilities of staff involved in the P-Card process. The cardholder is responsible for adhering to the policy, securing the card, and maintaining and submitting supporting documentation regarding the use of their card. Non-compliance with the P-Card Policy or related procedures can result in withdrawal of P-Card privileges or other disciplinary action.

Department Heads or Designates are responsible for assessing the need for an employee to have a P-Card, establishing spending limits for the card, determining which merchant access is appropriate to that employee, and reviewing and approving all purchases charged under their area of responsibility.

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The Finance Department is responsible for ensuring that the P-Card bill is paid promptly to avoid interest charges.

A major aspect of the administration and control of the P-Card program relies on the position "Program Administrator". This position is responsible for the coordination of the P-card program, documentation, setting up card access and establishing and maintaining the spending limits authorized by department heads, as well as setting up the authorized merchant codes available to each cardholder.

In order to fulfil the role of the Program Administrator, as well as to improve purchasing processes, planning and monitoring, internal control and documentation of procedures, staff recommend that a vacant full time position currently allocated to the Financial Services Department be reallocated to the Purchasing Services Department, both within the Finance Commission.

The Financial Services Department position, "Finance Business/Project Manager was established to perform a number of functions, including undertaking special projects, managing the cashiering function and increased internal control. Over the past six months, the Financial Services Department has examined opportunities for existing staff to assume some of the proposed responsibilities of the Finance Business/Project Manager, and at the same time, the need for additional support in the Purchasing Services Department became more apparent, and a greater priority.

The proposed P-Card Program Administrator in the Purchasing Services Department will be responsible for the P-Card Program, purchasing and P-card procedures, the development of an annual purchasing work plan, monitoring of low value purchasing trends and reporting requirements for tender awards between \$100,000 and \$350,000. This redeployment has been added to the revised list of Additional Resource Requests included in the report "Draft Operating Budget and Plan Update" on today's agenda.

Relationship to Vaughan Vision 2020

Not applicable

Regional Implications

No Implications

Conclusion

It is recommended that the Draft Purchasing Card Policy be received for input and comments. The Draft Purchasing Card Policy will be brought back to Council for approval early in 2013.

Attachments

Attachment 1 – Draft Corporate Purchasing Card Policy

Report prepared by:

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(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)