



STAFF REPORT

TO: Mayor and Council
FROM: John Thomas, Chief Administrative Officer
SUBJECT: Adjustment of Purchasing Authorization Thresholds
MEETING DATE: January 27th, 2026

PURPOSE

The purpose of this report is to seek Council direction and approval to increase internal purchasing authorization thresholds to improve operational efficiency and reduce the volume of routine staff reports that would be required to be brought forward for minor, low-risk operational purchases.

BACKGROUND

Under the Town's current *Signing Authority and Purchasing Limitations* policy adopted in 2002, staff purchasing authority is limited to **\$15,000** for the Chief Administrative Officer and between **\$3,000 and \$5,000** for other senior staff positions, exclusive of applicable taxes. All single purchases exceeding \$15,000 require **prior approval by Council resolution, regardless of whether the expenditure is already included in an approved budget**. In effect, the current model provides Council with budgetary oversight and requires Council authorization for all individual purchases exceeding \$15,000. In effect, the current framework provides Council with oversight through the budget approval process and requires Council authorization for all individual purchases exceeding \$15,000. In the context of a municipal operating environment with approximately \$9 million in annual expenditures, this structure results in a significant number of purchasing decisions being brought forward for Council consideration, many of which are routine and operational in nature.

As a result, many routine and non-controversial operational purchases such as equipment replacement, materials, contracted services, or maintenance items must be brought forward to Council for authorization, and this poses an impractical and ineffective way of running the

municipal operations. While this approach ensures strong oversight, in practice it significantly increases the volume of staff reports related to day-to-day operations, extends procurement timelines, and limits staff’s ability to respond efficiently to operational needs, ultimately diverting both staff and Council time away from higher-value strategic, policy, and community-focused matters.

Staff is proposing an adjustment to the thresholds in accordance with the table below:

Position	Current Threshold	Proposed Threshold
Council	Above \$15,000	Above \$100,000
Chief Administrative Officer	\$5,001 to \$15,000	\$50,000 to \$100,000
Chief Financial Officer	\$1 to \$5,000	\$1 to \$50,000
Public Works Superintendent	\$1 to \$5,000	\$1 to \$50,000
Manager, CLEC	\$1 to \$5,000	\$1 to \$50,000
Fire Chief	\$1 to \$3,000	\$1 to \$50,000

It is important to note that these thresholds operate within a framework of Council oversight in two significant ways. First, all expenditures continue to be governed by budgets that are reviewed, approved, and adopted by Council. Second, strengthened internal controls and procurement procedures will ensure appropriate transparency, accountability, and oversight of purchasing decisions. The proposed thresholds are intended solely to support the efficient day-to-day operation of the municipality and do not diminish Council’s governance or oversight role for the budget performance.

A comprehensive update to the Town’s procurement policy will be brought forward in February for Council’s consideration, at which time longer-term refinements can be evaluated.

IMPLICATIONS

a. Financial:

There are **no new financial implications** associated with this request. All purchases will continue to be funded within approved operating and capital budgets. The proposed change relates solely to internal authorization levels and administrative efficiency.

b. Policy/Legislation:

This report seeks relief from an outdated policy framework while maintaining Council’s statutory authority over budget approval and financial oversight. A comprehensive procurement policy update will be brought forward to formally replace the existing approach.

c. Strategic Priority:

N/A

d. Sustainability:

N/A

Options:

- 1) That Council approve the adjustment to the purchasing authorization thresholds as outlined in this report and direct staff to bring forward a comprehensive Procurement Policy for Council's consideration.
- 2) That Council not approve the adjustment to the purchasing authorization thresholds and maintain existing authorization thresholds.
- 3) That Council directs [state action].

RECOMMENDATION

Staff is recommending option 1.

- 1) That Council approve the adjustment to the purchasing authorization thresholds as outlined in this report and direct staff to bring forward a comprehensive Procurement Policy for Council's consideration.

Signed:

John T

John Thomas
Chief Administrative Officer

TOWN OF LAKE COWICHAN

COUNCIL POLICY

DATE APPROVED: January 8, 2002
APPROVED BY: Resolution No. R14(3)/02
SUBJECT: Signing Authority and Purchasing Limitations

While Council has the responsibility for approving the provisional and final budgets each department head is accountable for administrating his/her departmental budget. The Department Head is responsible for insuring that budget limits for department activities are not exceeded and that expenditure guidelines are complied with.

The following purchasing limits are hereby established:

CAO	\$15,000
Deputy Treasurer.....	5,000
Public Works Superintendent.....	5,000
Manager, CLEC.....	5,000
Fire Chief	3,000

The above limits are exclusive of provincial and federal taxes.

All single purchases above \$15,000 must be prior approved by Council resolution. Budget allocations are not to be taken as authorization for department heads to make purchases of good and services that exceed their spending authority.

Where an expenditure is proposed that results in reimbursement by developers or other parties that expenditure must be authorized in writing by the Chief Administrative Officer.

Staff and employees are strongly discouraged from making purchases for the Town using their own personal funds. Where an expenditure is proposed and in no event should be expenditure exceed One Hundred Dollars (\$100) the approval of the immediate supervisor must be sought and given before reimbursement can be made.

Notwithstanding the foregoing, a senior staff member may use personal credit cards in emergency situations and for travel on behalf of the Town.

All travel and reimbursements or expenses relating to an employee or staff member must be prior approved in writing by the immediate supervisor.

All time sheets must be approved and signed by the immediate supervisor prior to payroll being processed.

Notwithstanding the purchase limits established, the Chief Administrative Officer may approve authorized debt debenture payments or tax requisitions issued by the Federal, Provincial or Regional District governments or agencies.

Chief Administrative Officer

