



TO: Mayor and Council

FROM: Caitlin Fox, Community Recreation Coordinator

DATE: August 10, 2021

RE: **Town of Wadena Purchase Order Process Change**

ISSUE:

The current process of purchase orders for purchasing authorization is posing issues and we would like to make changes to the process.

BACKGROUND:

The process of the purchases orders was implemented to regulate spending, but it has become more of an issue with efficiency with tasks being done. Currently if someone is wanting to purchase an item they would have to go to a manager and ask for them to do a PO for them including the item, and what store they will be purchasing items from. The manager then must go through the budget to make sure there is money to send in this area, once this has been determined then the manager has to go through the whole purchase order system and add it there. Once this is done the PO can be printed out and handed to the individual doing the purchasing. Once the individual has finished purchasing the item, they must return the receipt and the paper PO to the manager or foreman. Then it goes through a process in the office as well to ensure payment on charge accounts are paid.

ALTERNATIVES:

- 1) What is Council's view on a new system?
- 2) Council can approve the new system
- 3) Council can deny the new system proposal

FINANCIAL IMPLICATIONS:

This would mean for managers to follow the budget closer and make sure the purchases that are being made are necessary.

ANALYSIS:

The new system would be that there are only certain people who can make purchases up to \$75.00 per purchase and all of the business would be receiving a letter, drafted in this report, that outlines the process that we will be following now. All purchases would have to be communicated to and reviewed by a corresponding manager; the receipt process would stay the same. The implementation of this process would create less paperwork and would mean more efficiently completed tasks.

ADMINISTRATIVE RECOMMENDATION(S):

"THAT Council approves the purchase order process as outlined".



Dear Business,

The Town of Wadena Staff and Council has decided to move away from the numbered purchase orders that are brought to you every time a staff member is wanting to purchase an item.

From now on purchases will be limited to \$75.00 per purchases and purchases can only be made by Laurie Rudolph, Alyshia Neuman, Caitlin Fox, Melvin Strand, Joel Simpson, and Clint Raddysh. All purchases will be communicated to and reviewed by the corresponding manager before the purchase is made to ensure all purchases are being made with the budget in mind. Staff would still be taking a copy of the receipt when making a purchase.

This change will create more efficient work plans and make processes faster thus making room for more tasks to be completed.

Staff will be instructed on this new process and if there are any issues with a Staff member all businesses are to contact the Town of Wadena Office or the Works and Operations Manager at 306-338-7572.

If you have any questions or concerns please call the Town of Wadena Office.

Thank you,

Town of Wadena Staff and Council