




PURCHASING POLICY

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| Date of Reissue: | April 24, 2018 |
| Revise / Review Date: | April 24, 2019 |
| Originally Issued: | October 26, 2010 |
| Approved by: |  |
| | Pamela Mullin, CFO |

PURPOSE

The goal of this policy is to establish parameters surrounding the procurement of products and services.

SCOPE / RELEVANCE

This policy applies to all KBD employees as well as Owner/Operators who are acquiring goods and/or services on behalf of KBD Transportation.

POLICY PRINCIPLES

In undertaking purchases, KBD employees will endeavor to:

- Drive value for money by:
 - Selecting the source and option that provides the best value; and,
 - Deploying the most appropriate process to balance timeliness against cost.
- Maximize savings and benefits by:
 - Planning;
 - Reducing duplication and waste; and,
 - Carefully considering the options.
- Ensure integrity and accountability by confirming purchases are:
 - Approved and necessary;
 - Transparent and defensible;
 - For KBD purposes only; and
 - Competitively priced from a reliable supplier.

PROCEDURE for PURCHASES made by CORPORATE CREDIT CARD

- **CORPORATE VISA:**
 - The following employee positions within the KBD office and garage will be assigned a corporate credit card to charge KBD-related expenses:
 - CEO & CFO
 - Maintenance, Safety & Compliance Manager
 - Admin & Accounting Manager
 - Credit Manager
 - Analyst & Operations Assistant

- Truck & Coach Technician(s)
 - Receipts must be submitted to the Admin & Accounting Manager with details noted on receipt to identify Visa Card was used and the intent of the purchase as well as the equipment unit number if relevant.
 - Drivers who are in possession of a corporate VISA receipt are asked to submit the receipt inside their weekly envelope, identifying the name of the VISA cardholder, the equipment number for which the card was used, as well as the intent of the purchase.
- **CORPORATE FUEL CARD:**
 - All company drivers and Owner/Operators will receive two fuel credit cards (Ultramar & COMDATA) for KBD-related fuel purchases.
 - Daily Limits:
 - CANADIAN FUEL Purchases: Ultramar 2000-Litre daily limit for diesel and DEF;
 - U.S. FUEL & FLYING J Purchases: ComData \$1200 daily limit.
 - NOTE: Cash advances are not permitted;
 - Receipts are to be stapled to the “Weekly Trip Sheet” and submitted weekly inside the DRIVER WEEKLY ENVELOPE at week’s end.
 - COMCHECK: Each driver has one ComChek in their permit book to be used if ComChek is the *only* acceptable method of payment by the service provider. In this case, the driver must have the ComChek authorized by contacting their Dispatcher during regular hours or on call after-hours;
- **BORDER CROSSING & TOLL CARDS & TRANSPONDERS:**
 - All trucks (company and Owner/Operator) have assigned border crossing and toll cards, as well as transponders;
 - Since card assignments are specific to each truck, drivers who are changing trucks will be re-assigned all of the above – and are asked not to move cards and transponders between trucks unless authorized by HR to do so;
 - There is no daily limit on border crossing, toll cards, or transponders;
 - Receipts are to be handed in weekly inside the DRIVER WEEKLY ENVELOPE.

Purchases made using a corporate credit card will be settled by cheque or electronic payment.

PROCEDURE for PURCHASES made by PURCHASE ORDER

- The following employee positions will have authority to make purchases on behalf of KBD for services, supplies, and repairs:
 - Human Resource Manager and Assistant;
 - Maintenance, Safety & Compliance Manager and Assistant;
 - Truck & Coach Technician(s);
 - Admin. & Accounting Manager and Assistant;
 - Credit Manager; and
 - CFO / CEO.
- PRE-APPROVAL from the CEO, CFO, Maintenance, Safety & Compliance Manager or Admin. & Accounting Manager are required for:
 - EQUIPMENT REPAIRS exceeding \$700
 - OFFICE & GARAGE SUPPLIES exceeding \$200
 - MARKETING & ADVERTISING PURCHASES exceeding \$100
 - DRIVER LAYOVER COSTS (hotels, etc.)

- All receipts must be submitted to the Admin & Accounting Manager with details noted on receipt regarding equipment unit number (if relevant) and the intended use of the purchase;
- Any driver expense receipts must be marked with driver name, equipment unit number and submitted inside the DRIVER WEEKLY ENVELOPE at week's end or delivered personally upon the next trip into the office to the Dispatch & Operations Manager for review and submission to the Admin. & Accounting Manager.

Purchases made using a purchase order will be settled by cheque, electronic payment, or corporate credit card.

PROCEDURE for PURCHASES made by PERSONAL CREDIT CARD or CASH

- Any over-the-road purchases or cash payments incurred by drivers such as toll payments, scaling costs, fax and copy charges or other KBD-related work expenses can be reimbursed as follows:
 - Complete Driver Expense form, indicating currency (CDN or US) and submit with DRIVER WEEKLY ENVELOPE or;
 - Complete Driver Expense form and submit to Dispatch Assistant during office hours.
- There are **no limitations or pre-approvals** required for faxes, copies, or toll charges;
- During 2018, use of personal vehicle on KBD-related business will be reimbursed at a rate of 55 cents per kilometer. The procedure for submission is as per above.

Purchases made using a personal credit card or cash will be reimbursed either by cheque, electronic payment, or petty cash.

COSTS/CHARGES NOT PERMITTED

- Use of Highway 407 in Toronto is not permitted;
- Truck and trailer washes are not permitted unless authorized by the CEO (Bruce X 100)