

**DRAFT – For Discussion Only**

**City of St. John’s Corporate and Operational Policy Manual**

<b>Policy Title:</b> Materials Management Policy	<b>Policy #:</b> 04-06-02 (to be assigned)
<b>Last Revision Date:</b> N/A	<b>Policy Section:</b> Finance and Accounting > Procurement
<b>Policy Sponsor:</b> Deputy City Manager, Finance and Administration	

**1. Policy Statement**

The purpose of this policy is to provide direction for the effective and efficient management and operation of the Stockroom and City salt, sand, gas and diesel fuel inventories.

**2. Definitions**

“**Department Head**” means all Deputy City Managers (DCMs) and the City Manager or their designate.

“**Employee**” means any person employed by the City of St. John’s as a permanent, term, part-time, casual, contract, seasonal, temporary, or student worker.

“**Inventory Items**” means items regularly stocked as inventory and given an inventory identifier by the Stockroom.

“**Stockroom**” means the internal inventory storage area at the City Depot, Blackler Avenue, St. John’s.

**3. Policy Requirements**

**3.1 Receiving All Items**

Stockroom Employees shall follow the procedures for receiving items in the **Materials Management Procedures**.

### 3.2 Issuing Inventory Items

Stockroom Employees shall follow the procedures for issuing Inventory Items in the **Materials Management Procedures**.

### 3.3 Procurement of Inventory Items

Inventory Items shall be procured in accordance with applicable legislation and the **Materials Management Procedures**. Where there is a conflict between the legislation and the **Materials Management Procedures**, the legislation shall govern.

### 3.4 Inventory Control

- a) Changes to minimum and/or maximum Inventory Item levels, Inventory Item monitoring, and measurement and monitoring of sand, salt, and gas and diesel inventories shall be completed in accordance with the **Materials Management Procedures**.
- b) An annual count of all Inventory Items in the Stockroom shall be completed in accordance with the **Materials Management Procedures**.
- c) The Materials Supervisor shall notify the Supply Chain Manager and Manager, Financial Services, at least two weeks in advance of the annual inventory count.
- d) The Manager, Financial Services shall notify the City's external auditors at least two weeks in advance of the annual inventory count.
- e) Notwithstanding the foregoing, spot checks of Inventory Items may be made without notice.

### 3.5 Stockroom Access and Security

The Stockroom shall be secure at all times, with only Stockroom Employees, Materials Supervisor, Supply Chain Manager, Garage Buyer, and Inventory Buyer having access. All other Employees and individuals shall be escorted if they require access to the area.

External delivery providers shall follow the direction of Stockroom Employees.

### **3.6 Review of Surplus Inventory Items**

The Materials Supervisor shall, at least annually, review Inventory Items to determine whether there is surplus or outdated Inventory Items. Additional reviews made be undertaken at the discretion of the Materials Supervisor.

Surplus Inventory Items shall be disposed of in accordance with the **Procurement Policy** and any applicable legislation.

## **4. Application**

This policy applies to (i) all Employees involved in the materials management process, including those who request that items be stocked as Inventory Items and/or request Inventory Items, (ii) the Stockroom and City salt, sand, gas and diesel fuel inventory locations; and (iii) all items received at the Stockroom and City salt, sand, gas and diesel fuel inventory locations.

This policy does not apply to the St. John's Transportation Commission (Metrobus).

## **5. Responsibilities**

**5.1 The Supply Chain Division** is responsible for:

- a) implementing the policy and procedures;
- b) communicating the policy and procedures to appropriate Employees;
- c) supporting departments with their inventory requirements, as required, with final inventory decisions at the discretion of Supply Chain; and
- d) monitoring compliance with the policy and its procedures.

**5.2 Employees** are responsible for:

- a) complying with this policy and its procedures.

**5.3 Managers with procurement responsibility** are responsible for, in addition to the duties in section 5.2:

- a) ensuring items are obtained from the Stockroom or from the City salt, sand, and gas and diesel fuel inventories, if applicable; and
- b) ensuring appropriate approvals are obtained prior to proceeding to Supply Chain.

**5.4 Department Heads** are responsible for, in addition to the duties in sections 5.2 and 5.3:

- a) ensuring this policy and its procedures are communicated to all applicable Employees in their respective departments.

## 6. References

04-06-02-01 Materials Management Procedures  
[04-06-01 Procurement Policy](#)

## 7. Approval

- Policy Sponsor: Deputy City Manager, Finance and Administration
- Policy Writer: Policy Analyst; Materials Supervisor
- Date of Approval from
  - Corporate Policy Committee: April 3, 2020
  - Senior Executive Committee:
  - Committee of the Whole:
- Date of Approval from Council:

## 8. Monitoring and Contravention

The Supply Chain Division shall monitor the application of the policy.

Any contravention of this policy and/or associated procedures shall be reported to the Department of Finance and Administration, Department of Human Resources, the Office of the City Solicitor, and/or the City Manager

for further investigation and appropriate action, which may include, but is not limited to legal action and discipline, up to and including dismissal.

**9. Review Date**

Initial Review: 3 years, Subsequent Reviews: 5 years

DRAFT