



BOARD POLICY	DEPARTMENT: CORPORATE SERVICES
	SUBJECT: PURCHASING POLICY #CORP-01

AUTHORITY

Procedural By-law 2017-01

INTENT OF POLICY

To ensure that The District of Nipissing Social Services Administration Board (DNSSAB) and the Nipissing District Housing Corporation obtains the best value when purchasing goods or contracting services.

To maximize openness, accountability and transparency while safeguarding the assets, protecting the financial best interest of the DNSSAB and NDHC and allowing for programming needs.

To promote and maintain the integrity of the procurement process and the controls necessary for a public institution, including alignment with the Broader Public Sector Procurement Directive issued by the Management Board of Cabinet July 2011 and the associated Supply Chain Guidelines hereto attached as Appendix 1.

DEFINITIONS

The words and phrases listed below when used in this policy shall have the following meanings ascribed to them:

“**Award**” means authorization to proceed with purchase of Goods, Services and/or Construction from a chosen supplier.

“**Bid**” means an offer or submission from a supplier or proponent in response to a Bid Request.

“**Bid Request**” means a formal solicitation by DNSSAB or NDHC for Bids that may be in the form of a request for tender or a request for proposal.

“**Bid Irregularity**” means a deviation from the requirements of a Bid Request, as more specifically set out in Schedule D.

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“**Board**” means the Board of Directors of The District of Nipissing Social Services Administration Board or the Nipissing District Housing Corporation, as the context may require.

“**Budget**” means the Board approved Department budget(s) including authorized revisions.

“**Chief Administrative Officer**” or “**CAO**” means the head of operations at the DNSSAB, his or her designate or any successor position thereto.

“**Chief Executive Officer**” or “**CEO**” means the head of operations at the NDHC, his or her designate or any successor position thereto.

“**Conflicts of Interest**” can include but are not limited to one or more of the following circumstances:

- a. Have a financial or other personal interest in any transaction(s) during the proper discharge of their duties;
- b. Derive direct or indirect benefits from DNSSAB and/or NDHC Contracts on which they can influence decisions;
- c. Demand, offer, or accept from a person who has dealings with the DNSSAB and/or the NDHC, commissions, rewards, advantages, or benefits of any kind, directly or indirectly, themselves or through a member of their family, or through anyone else for their benefit;
- d. Knowingly accord preferential treatment to relatives, friends, or to organizations in which they, or relatives or friends, have an interest.

“**Construction**” means a construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, soil investigation, the supply of products and materials and the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering design or architectural work, but does not include professional services related to the construction Contract unless they are included in the specifications for the procurement.

“**Contract**” means any binding agreement between two or more parties that creates an obligation to provide goods or perform services authorized in accordance with this policy.

“**Department**” refers to the following organizational units led by a member of senior management: Employment and Social Services, Emergency Medical Services, Children’s Services, Housing Services, Housing Operations and Corporate Services.

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“**Designate**” means a person authorized by the CAO or CEO or respective Director to act on his or her behalf, for the purpose of this policy;

“**Director**” refers to the position title who has responsibility and authority over several program or budget areas.

“**DNSSAB**” refers to the District of Nipissing Social Services Administration Board.

“**Emergency**” means a situation, or threat of an impending situation, which may affect the environment, life, safety, health and/or welfare of the general public, the Board, volunteer or an employee while acting on the DNSSAB’s or NDHC’s behalf, or to prevent serious damage, disruption of work, or to restore or to maintain essential service to a minimum level.

“**Fair Market Value**” means the price that would be agreed to in an open and unrestricted market between knowledgeable and willing parties dealing at arms-length where fully informed and not under any compulsion to transact.

“**Goods**” means raw materials, products, equipment and other physical objects of every kind and description or moveable property including the cost of installing, operating and maintaining or manufacturing such moveable property.

“**Housing Operations**” means the branch of the Housing Services department responsible for NDHC property management.

“**In House Bid**” means a bid made by one or more internal staff or affiliates to compete with external entities for procurement opportunities by formally providing a submission in response to a public bid solicitation.

“**Ministry**” means a governmental organization of Canada, headed by a minister that manages a specific sector of public administration.

“**NDHC**” refers to the Nipissing District Housing Corporation.

“**Purchase Order**” means a written confirmation between DNSSAB or NDHC and the supplier to supply specific Goods, Services or a specific type of Construction defined by such things as cost, time period and location(s).

“**Purchasing Card**” means a credit card issued to purchase Goods and Services of a low dollar value in accordance with the limits set out in Schedule A.

“**Services**” means services of all kinds, including but not limited to labour, Construction, maintenance, professional and consulting services save an except

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those services to be delivered by an officer or employee of DNSSAB in accordance with the terms of employment.

“Total Acquisition Cost” means an evaluation of quality and service in the assessment of a bid and the sum of all costs including purchase price, all taxes, warranties, local service costs, life cycle costs, time of completion or delivery, inventory carrying costs, staff training, operating and disposal costs for determining the lowest compliant bid.

“Transfer Payment” means a one-way funding from a Ministry or the government for which no Good or Services are received in exchange. Transfer Payments shall also include Ministry funding that must be directed to clients or service providers in accordance with the Ministry’s requirements.

POLICY

It is the policy of the DNSSAB and NDHC to:

1. Purchase Goods, Services and Construction in an efficient and cost effective manner;
2. Consider the Total Acquisition Cost as opposed to only the lowest invoice price;
3. Eliminate redundant and low value added activities throughout the procurement cycle;
4. Reduce risk and potential conflicts internally and externally;
5. Make procurement decisions defensible when facing public criticism, trade or legal challenges;
6. Establish inclusive, consistent processes related to selecting and working with suppliers that will enhance mutual trust and working relationships;
7. Maintain best and leading practices for its procurement procedures.

The overall purpose of the policy is to protect the interest of DNSSAB, NDHC and all parties involved in the procurement process and ensure fairness, transparency and integrity by using standard and consistent approaches for:

- a) Selecting the appropriate procurement process to be used;
- b) Communicating with vendors through the process;
- c) Evaluating proposals;
- d) Addressing vendor complaints;
- e) Providing unsuccessful bidders with feedback;
- f) Maintaining records and measuring vendor performance under Contracts.

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DEPARTMENT: CORPORATE SERVICES

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SEGREGATION OF DUTIES

As an internal control, the segregation of duties and delegation of authority are maintained to ensure the integrity of the process by reducing the exposure to inappropriate, unauthorized or unlawful expenditures. The segregation of duties is to prevent one person from having access to assets and the responsibility for maintaining the accountability of those same assets. The segregation of duties is done so that no one employee or group will be in a position to perpetuate and to conceal errors or fraud in the normal use of their duties.

The DNSSAB segregation of duties occurs as follows:

Roles	Activities/Duties	Accountable Party
Requisition	Authorize Corporate Services/Finance to place an order.	End-user requesting the Good, Service or Construction.
Budget	Authorize that funding is available to cover the cost of the order.	Department Director or Senior Accountant
Commitment	Authorize the release of the order to the supplier under the agreed upon Contract terms.	Contract Specialist.
Receipt	Authorize that the order was physically received, correct, and complete.	Individual responsible for receiving the goods.
Payment	Release of payment to the supplier.	Accounts payable role within the Corporate Services/Finance team.

The Housing Operations segregation of duties occurs as follows:

Roles	Activities/Duties	Accountable Party
Requisition	Authorize the placement of an order.	End-user requesting the Good, Service or Construction.
Budget	Authorize that funding is available to cover the cost of the order.	Director or Manager, Housing Operations or Senior Accountant
Commitment	Authorize the release of the order to the supplier under the agreed upon Contract terms.	Corporate Asset Supervisor or Contract Specialist.
Receipt	Authorize that the order was physically received, correct, and complete.	Individual responsible for receiving the goods.
Payment	Release of payment to the supplier.	Accounts payable role within the Corporate Services/Finance team.

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STANDARDS OF APPLICATION

Roles and Responsibilities

1. It is the responsibility of the DNSSAB and NDHC Boards to approve corporate policies and a Supply Chain Code of Ethics governing procurement (see Attachment 1).
2. At the beginning of each 4-year Board term or as otherwise requested by the Chief Administrative Officer (CAO), the DNSSAB Board shall delegate authority to the CAO to approve Transfer Payments in accordance with Ministry guidelines which may be within or exceed the CAO's delegated approval authority as set out in Schedule A. Such authorization shall take the form of a Board resolution.
3. All acquisitions or disposal of property and/or land shall be presented to the Board for consideration and supported by a formal Board resolution, *regardless of delegated approval authority limits*. The use of funding reserves shall be in compliance with the Reserves and Reserve Funds Policy.
4. On behalf of the DNSSAB:
 - a. Unless otherwise provided in accordance with the Purchasing Policy, the Contract Specialist or Designate as determined by the Director of Corporate Services shall:
 - i. Be responsible for providing all necessary advice required for purchases authorized by this policy;
 - ii. provide guidelines to Departments on procurement policies and procedures and on the structure, format and general content of procurement documentation to maintain consistency;
 - iii. Review proposed procurement documentation to ensure clarity, reasonableness and quality and shall advise the requisitioning Departments of suggested improvements;
 - iv. Conduct training as required to teach the requirements of this policy to DNSSAB employees;
 - v. Review the effectiveness of this policy every five years, or more frequently as required. This review will include both legislative and best practices;
 - vi. Establish purchasing procedures consistent with the purchasing principles set out in the policy relating to:

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- vii. Maintain appropriate internal controls to ensure accountable processes for purchasing;
 - viii. Establish the form, content and use of forms, whether electronic or printed, including quotations, competitive procurement documents and other contract documents;
 - ix. Identify Goods, Services and Construction which are more effectively acquired through cooperative purchasing;
 - x. Establish the process to be followed in issuing, receipt and evaluation of quotations, tenders and requests for proposals;
 - xi. Address any aspect of process or procedure not specifically provided for in this policy.
- b. Requisitioning Departments shall be responsible for:
- i. Preparing all quotation, tender and/or request for proposal documents for review by the Contract Specialist or Designate;
 - ii. Managing the budget associated with the Goods, Services and/or Construction which is being procured;
 - iii. Managing respective Contracts to ensure Goods, Services and/or Construction are recorded when received from DNSSAB, comply with the Contract terms and conditions and monitoring ongoing supplier performance in a form prescribed by the Contract Specialist or Designate.
 - iv. Monitoring all Contract expenditures and ensuring that all financial limitations have been complied with;
 - v. Standardizing the use of Goods and/or Services where such standardization supports the purpose and principle of this policy.
5. On behalf of Housing Operations:
- a. Unless otherwise provided in accordance with the Purchasing Policy, the Capital Works Officer or Designate as determined by the Director of Housing Services shall, under the direction of the Corporate Asset Supervisor:
 - i. Prepare the structure, format and general content of procurement documentation, whether electronic or printed.
 - ii. Issue, receive and evaluate quotations, tenders and requests for proposals;

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- iii. Prepare all quotation, tender and/or request for proposal; documents for review by Corporate Asset Supervisor or Designate;
 - iv. Ensure Goods, Services and/or Construction are recorded when received from NDHC or DNSSAB, comply with the Contract terms and conditions and monitor ongoing supplier performance in a form prescribed by the Contract Specialist or Designate.
- b. Unless otherwise provided in accordance with the Purchasing Policy, the Corporate Asset Supervisor or Designate as determined by the Director of Housing Services shall:
- i. Identify the preferred method to acquire Goods, Services and Construction;
 - ii. Review proposed procurement documentation to ensure clarity, reasonableness and quality and shall advise the requisitioning individual of suggested improvements;
 - iii. Be responsible for providing guidance and direction required for purchases authorized by this policy;
 - iv. Monitor all Contract expenditures and ensuring that all financial limitations have been complied with;
 - v. Review and endorse the recommendations resulting from the tender or request for proposal process;
 - vi. Manage the budget associated with the Goods, Services and/or Construction which is being procured;
 - vii. Monitor all Contract expenditures and ensuring that all financial limitations have been complied with;
 - viii. Standardize the use of Goods and/or Services where such standardization supports the purpose and principle of this policy.
- c. Unless otherwise provided in accordance with the Purchasing Policy, the Contract Specialist or Designate as determined by the Director of Corporate Services shall:
- i. On an as needed and when requested basis, provide advice regarding purchasing as it relates to the Purchasing Policy;
 - ii. In order to maintain consistency, provide guidelines on procurement policies, procedures, forms and documentation;
 - iii. Conduct training as required to teach the requirements of this policy to DNSSAB employees;

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- iv. Review the effectiveness of this policy every five years, or more frequently as required. This review will include both legislative and best practices;
 - v. Establish purchasing procedures consistent with the purchasing principles set out in the policy relating to maintaining appropriate internal controls to ensure accountable processes for purchasing;
 - vi. Address any aspect of process or procedure not specifically provided for in this policy.
6. All acquisitions shall be in accordance with approved Department Budgets except where the DNSSAB Board, by resolution, determines otherwise.
7. Each staff member is accountable for the decisions and actions which they take pursuant to this policy and in the administration of Contracts, which have been awarded pursuant to this policy.
8. In-House Bids will not be considered in response to public bid solicitations.

GENERAL INFORMATION

Delegation of Authority and Procurement Method

The Approval Authority and Procurement Method hereto attached as Schedule A outlines both the delegated authorities that may be authorized to commit the DNSSAB and NDHC to any procurement and the method procurement must take at each approval limit.

Prior to commencement, any procurement of Goods, Services or Construction must be approved in accordance with Schedule A. Goods, Services or Construction that are obtained without following the provisions of the aforementioned Schedule A will not be accepted and any invoices received may not be processed for payment.

Direct Negotiation

The Direct Negotiation hereto attached as Schedule B outlines the circumstances under which direct negotiation (i.e. sole sourcing or single sourcing) shall be authorized.

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Excluded Goods and Services

Items that are exempt from the requirements of the Purchasing Policy because they are recurring or non-competitive expenditures are listed in Schedule C – Excluded Goods and Services.

Bid Irregularities

The process for administering irregularities contained in Bids shall be as set out in Schedule D – Bid Irregularities.

Procurement in Emergencies

If an emergency exists requiring the immediate procurement of Goods, Services or Construction, the CAO/CEO or a Director may requisition the required Goods, Services or Construction by the most expedient and economical means available, notwithstanding any other provision of this policy.

For all emergency purchases, an information report outlining the circumstances of the procurement must be submitted by the requisitioning Department Director to the Board at its next scheduled meeting.

Note: failure to plan and allow sufficient time for a competitive procurement process does not constitute an emergency.

Co-operative Purchasing

The DNSSAB and NDHC shall participate with other government agencies or public authorities in co-operative purchasing where it is in the best interest of the DNSSAB and/or NDHC to do so. The decision to participate in co-operative purchasing agreements will be made by the Director of Corporate Services.

Contractual Agreement

The award of a bid may be made by way of a Contract or Purchase Order. All Contracts must be executed by a formal written agreement. DNSSAB contracts shall be reviewed and approved by the Contract Specialist; NDHC contracts shall be reviewed and

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approved by the Corporate Assets Supervisor. The use of a Purchase Order or Contract shall be in accordance with the limits stated in Schedule A - Approval Authority and Procurement Method.

All contracts, regardless of their dollar value, must be signed by the corporation's signing officers - the CAO/CEO and Chair. In the absence of the CAO/CEO, the Director to whom the CAO/CEO has delegated signing authority through a formal Board resolution may sign contracts. In the absence of the Chair, the Vice-Chair may sign contracts. In the absence of the Vice-Chair, the Board representative to whom the Chair has delegated signing authority through a formal Board resolution may sign contracts.

Unsolicited Quotations or Proposals

All unsolicited quotations or proposals submitted to the DNSSAB shall be addressed by the Unsolicited Quotations and Proposals Policy, FIN/ADM 05.

Surplus and Obsolete Goods

All surplus and obsolete goods shall be addressed by the Disposal of Assets Policy FIN/ADM 06.

PROHIBITIONS

The following shall be considered prohibited actions under the Purchasing Policy:

1. Under no circumstances will DNSSAB or NDHC acquire Goods, Services or Construction from any of the following:
 - a. Board members;
 - b. Employees at or above the level of Supervisor;
 - c. Businesses which (a) or (b) above hold a controlling interest (a controlling interest being greater than 50%).

2. The division of Goods, Services or Construction to avoid the requirements set out in this policy.

3. No preferences shall be shown or taken into account in acquiring Goods, Services or Construction on behalf of the DNSSAB or NDHC.
 - a. *Exception:* DNSSAB and NDHC recognize that in order to best serve its citizens within its unique geographic district, its procurement practices

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may occasionally warrant circumstances under which minor preferences may be given. A preference may be geographical, cultural, linguistic, social, etc. in nature. Those circumstances must be for the sole purpose of best meeting the interests of our citizens (not the interests of DNSSAB and/or NDHC) and openly included in any competitive procurement process documents (e.g. request for quotation, request for proposal, etc.). Additionally,

- i. The preference and justification must be clearly stated in the competitive procurement process documents; and
- ii. The weight assigned to a preference must be included in the evaluation section; and
- iii. The weight assigned to the preference must not exceed 15% of the total evaluation score; and
- iv. Preferences shall not be considered post-evaluation.

It is the intention of DNSSAB and NDHC to align with the Broader Public Sector Procurement Directive and not discriminate or exercise preferential treatment in awarding a Contract to a supplier as a result of a competitive procurement process. As such, the use of preferences is limited to the exceptions given in this policy.

4. The purchase of any Goods, Services or Construction for personal use by or on behalf of any DNSSAB employee, Board member or elected official, for purposes other than the bona fide requirements of the DNSSAB and NDHC.
5. Throughout the procurement process, DNSSAB employees shall not accept directly or indirectly gifts, gratuities, favours or other things of value from current or prospective vendors. Outside of the procurement process, DNSSAB employees shall only accept gifts or favours in accordance with the Human Resources Conduct and Behaviour Policy.
6. Employees shall not place themselves in positions where they could be tempted to prefer their own interests or the interests of another over the interests of the DNSSAB or NDHC. When employees become exposed to or involved in actual and/or potential Conflicts of Interest, they must disclose the situation to Director of Corporate Services and shall abide by the advice given.

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Discipline

Purchases made in the name of the DNSSAB or NDHC without proper authorization may be considered an obligation of the individual making the purchase and not the obligation of the DNSSAB or NDHC as the context requires. Breaches of this policy by employees may be subject to the disciplinary action in accordance with principles and practices enforced by the Director of Corporate Services.

References

1. Broader Public Sector Procurement Directive and Implementation Guidebook, 2011
2. A Guide to Developing Procurement Bylaws, 2003
3. Municipal Act, 2001

Schedules

1. Schedule A - Approval Authority and Procurement Method
2. Schedule B - Direct Negotiation
3. Schedule C – Excluded Goods and Services
4. Schedule D – Bid Irregularities

Attachments

1. Supply Chain Code of Ethics

Related Documents

1. Procedural By-law 2017-01
2. Unsolicited Quotations and Proposals Policy, FIN/ADM 05
3. Disposal of Assets Policy, #CORP-02
4. Reserves and Reserve Funds Policy
5. Human Resources Conduct and Behaviour Policy

Related Procedures

1. Purchasing Procedures Manual
2. Contract Management Procedures Manual

Forms

1. Procurement Variance Approval Form (part of Schedule A)
2. Direct Negotiation Authorization Form (part of Schedule B)



PURCHASING POLICY #CORP-01	DEPARTMENT: CORPORATE SERVICES
	SUBJECT: ATTACHMENT 1 – SUPPLY CHAIN CODE OF ETHICS

Authority

Purchasing Policy #CORP-01

Intent of Schedule

To ensure an ethical, professional and accountable Supply Chain (procurement process).

Standards of Application

1. Personal Integrity and Professionalism

All employees of the District of Nipissing Social Services Administration Board involved with purchasing or other supply chain-related activities must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all supply chain activities within and between the DNSSAB and NDHC, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. All employees must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products.

2. Accountability and Transparency

Supply chain activities must be open and accountable. In particular, contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for public money. All employees must ensure that public sector resources are used in a responsible, efficient and effective manner.

3. Compliance and Continuous Improvement

All employees involved in purchasing or other supply chain-related activities must comply with this Code of Ethics and the laws of Canada and Ontario. All employees should continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading practices.

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SCHEDULE A: APPROVAL AUTHORITY AND PROCUREMENT METHOD	DEPARTMENT: CORPORATE SERVICES
	ASSOCIATED DOCUMENT: PURCHASING POLICY #CORP-01

Authority

Purchasing Policy #CORP-01

KPMG Delegation of Authority Review, Report EX20-17 December 2017

Adoption of KPMG Delegation of Authority Review, Resolution No. 2017-116

Intent of Schedule

To establish the approval authorities, monetary limits and their corresponding required procurement methods for the District of Nipissing Social Services Administration Board and the Nipissing District Housing Corporation (Housing Operations).

Standards of Application

The Purchasing Policy requires a two-step process before any purchases can be made.

The first step is the approval authority which indicates who the purchasing authority is at a total procurement amount (see Table 1, a & b).

After the appropriate authority level has been sought, the second step is the procurement method. This indicates the type of procurement method required at the total procurement amount (see Table 2).

Both step one and step two must be completed before a purchase can be made. A decision tree is attached as Appendix A to guide decision making for staff. Any questions about the appropriate procurement process to follow should be directed to the Contract Specialist.

Approval Authority Schedule

This Approval Authority Schedule shall apply to all budgeted purchases that were approved as part of the annual Board approved Budget process, and any new projects or programs that arise following the annual Board approved Budget process.

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Table 1 a) Approval Limits (All Departments except Housing Operations)

Approval Authority Schedule Purchase of Goods, Services and Construction	
Delegated Purchasing Authority Level	Total Procurement Amount
Supervisors	\$2,000
Managers	\$25,000
Directors	\$75,000
Chief Administrative Officer	\$300,000
Board	> \$300,000

Table 1 b) Housing Operations-Specific Approval Limits

Approval Authority Schedule for Housing Operations Purchase of Goods, Services and Construction	
Delegated Purchasing Authority Level	Total Procurement Amount
Maintenance Officer/Capital Works Officer	\$2,500
Supervisors	\$10,000
Managers	\$25,000
Directors	\$75,000
Chief Executive Officer	\$300,000
NDHC Board	> \$300,000

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Method of Procurement

The method of procurement required at each purchase value.

Table 2

Method of Procurement Purchase of Goods, Services and Construction	
Purchase value	Procurement Method
\$0 - \$2,000	Purchase may be carried out by the requisitioning department in accordance with the principles established in this policy using corporate purchasing card.
\$2,001 – \$10,000	Competitive quotes are at the discretion of the requisitioning Department but are not required. The contract award will be made to the lowest compliant quotation when multiple quotes are requested.
\$10,001 - \$40,000	Requisitioning Department shall solicit a minimum of three written quotes.
> \$40,000	Contract Specialist, in consultation with the requisitioning Department shall coordinate an open Request for Proposal or Request for Tender. Public advertising required.

Temporary Assignment of Delegated Authority

An individual can temporarily assign their delegated authority level to another individual within the organization. Such assignments shall be made with the understanding that when delegated authority is temporarily assigned, the individual to whom the purchase is delegated bears responsibility for that purchase.

Multi-Year Commitments

All projects, programs and/or Contracts which shall be for a duration of greater than one (1) year shall be approved at the threshold specified above for the entire cost over the duration of the project, program, and/or Contract. For example, a three (3) year purchase at \$30,000/year would need to be approved at the \$90,000 approval level.

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Procurement Variance

In circumstances where procurement is to exceed the budgeted or unbudgeted amount a Procurement Variance Approval Form must be completed. Such circumstances may include:

- a. New funding for a program or project;
- b. Additional funding for an existing program or project;
- c. Reallocation of budgeted funds;
- d. Throughout the procurement process (no suppliers able to provide Goods, Services and/or Construction at the specified funding level).

Approval shall be required as specified in the table below for any procurement greater than the delegated purchasing level authority's approved threshold.

Table 3 a) Procurement Variance Approval Thresholds

Procurement Variance Approval Thresholds		
Purchasing Level Authority	Procurement Amount	Approval Level
Supervisors	>\$2,000	Managers
Managers	>\$25,000	Director
Directors	>\$75,000	Chief Administrative Officer
Chief Administrative Officer	>\$300,000	Board

Table 3 b) Housing Operations-Specific Procurement Variance Approval Thresholds

Procurement Variance Approval Thresholds for Housing Operations		
Purchasing Level Authority	Procurement Amount	Approval Level
Maintenance Officer/Capital Works Officer	>\$2,500	Supervisors
Supervisors	>\$10,000	Managers
Managers	>\$25,000	Director
Directors	>\$75,000	Chief Administrative Officer
Chief Executive Officer	>\$300,000	Board

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It shall be the responsibility of the Supervisor/Manager/Director/CAO to ensure that the necessary approval has been sought in accordance with the procurement variance approval thresholds above.

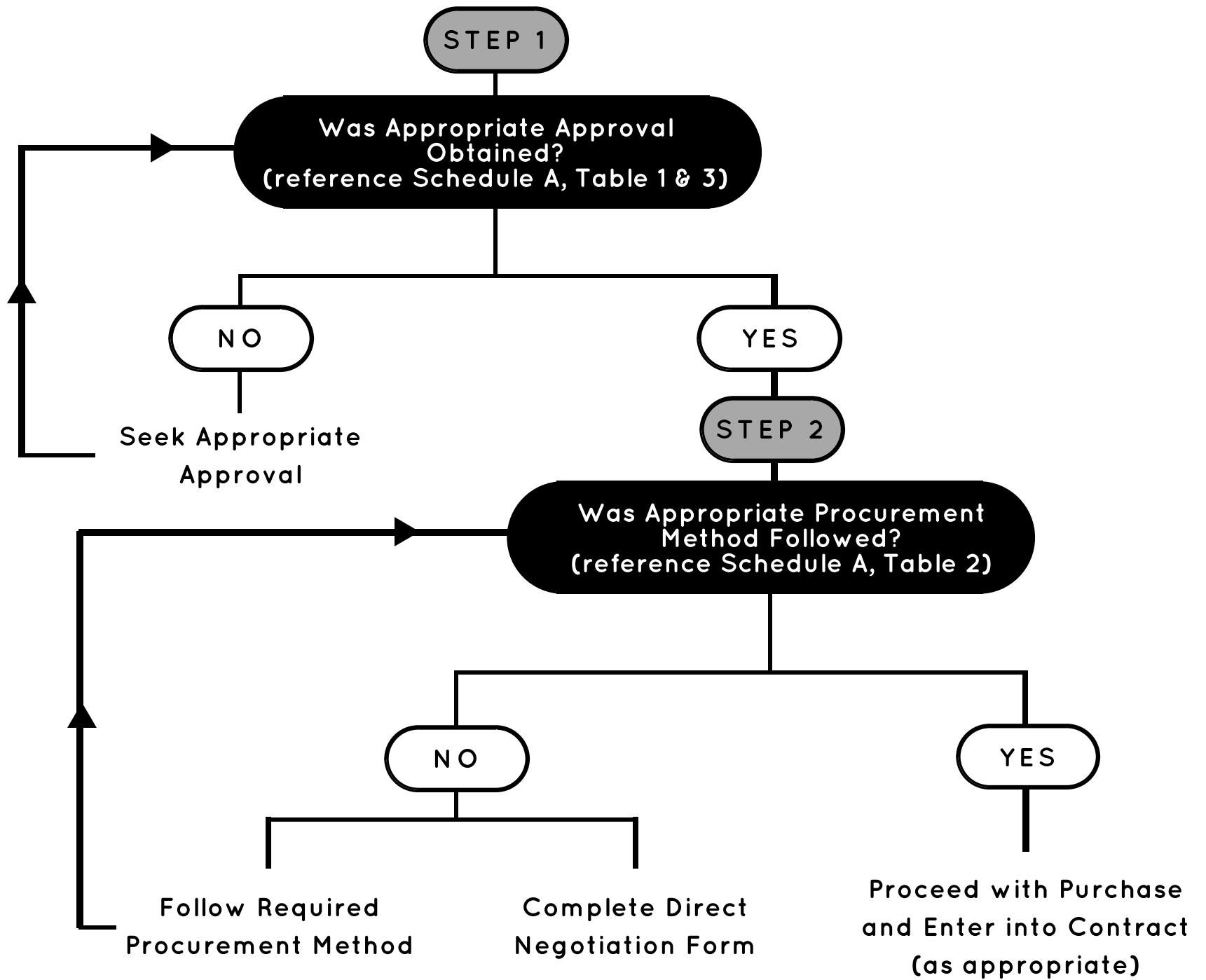
Example: if a Manager intends to purchase a service valued at \$20,000, but the lowest quote received is \$30,000 then the Procurement Variance Form must be completed by the Manager and approved by the Director, as the final total is above the Manager's approval threshold.

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PURCHASING DECISION TREE





Procurement Variance Form – General

A Procurement Variance form shall be completed in circumstances where procurement has exceeded the budgeted or unbudgeted amount. Such circumstances may include:

- a. New funding for a program or project;
- b. Additional funding for an existing program or project;
- c. Reallocation of budgeted funds;
- d. Throughout the procurement process (no suppliers able to provide Goods, Services and/or Construction at the specified funding level).

The completion of this form shall be required for any procurement variance greater than the purchasing level authority as specified in Schedule A, Table 3 a) and as indicated below.

Procurement Variance Approval Thresholds		
Purchasing Level Authority	Procurement Amount	Approval Level
Supervisors	>\$2,000	Managers
Managers	>\$25,000	Director
Directors	>\$75,000	Chief Executive Officer
Chief Executive Officer	>\$300,000	Board

This form must be reviewed and endorsed by the Contract Specialist and final approval will be in compliance with the Approval Authorities outlined in Schedule A, Table 1 a). This form must be kept with the Contract Summary Sheet/Contract. If no Contract exists, as in the case for reallocations, this form shall be submitted to the Contract Specialist and kept on file.

General Information	
Name:	
Department:	
Type of Variance: <input type="checkbox"/> a. <input type="checkbox"/> b. <input type="checkbox"/> c. <input type="checkbox"/> d.	
Program/Project/Reallocation Name:	
Amount of Variance:	
Explanation for Variance:	
Form Review	
Form reviewed by Contract Specialist: <input checked="" type="checkbox"/> X _____	
Requestor	
I certify that this form is in compliance with the Purchasing Policy.	
Manager/Director Name:	
Manager/Director Signature:	
Date:	
Authorization	
Director/CEO Name:	
Director/CEO Signature:	
Date:	

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Procurement Variance Form – Housing Operations

A Procurement Variance form shall be completed in circumstances where procurement has exceeded the budgeted or unbudgeted amount. Such circumstances may include:

- a. New funding for a program or project;
- b. Additional funding for an existing program or project;
- c. Reallocation of budgeted funds;
- d. Throughout the procurement process (no suppliers able to provide Goods, Services and/or Construction at the specified funding level).

The completion of this form shall be required for any procurement variance greater than the purchasing level authority as specified in Schedule A, Table 3 b) and as indicated below.

Procurement Variance Approval Thresholds		
Purchasing Level Authority	Procurement Amount	Approval Level
Maintenance Officer/Capital Works Officer	>\$2,500	Supervisors
Supervisors	>\$10,000	Managers
Managers	>\$25,000	Director
Directors	>\$75,000	Chief Executive Officer
Chief Executive Officer	>\$300,000	Board

This form must be reviewed and endorsed by the Contract Specialist and final approval will be in compliance with the Approval Authorities outlined in Schedule A, Table 1 b). This form must be kept with the Contract Summary Sheet/Contract. If no Contract exists, as in the case for reallocations, this form shall be submitted to the Contract Specialist and kept on file.

General Information	
Name:	
Department:	
Type of Variance: <input type="checkbox"/> a. <input type="checkbox"/> b. <input type="checkbox"/> c. <input type="checkbox"/> d.	
Program/Project/Reallocation Name:	
Amount of Variance:	
Explanation for Variance:	
Form Review	
Form reviewed by Contract Specialist: <input checked="" type="checkbox"/> X _____	
Requestor	
I certify that this form is in compliance with the Purchasing Policy.	
Manager/Director Name:	
Manager/Director Signature:	
Date:	
Authorization	
Director/CEO Name:	
Director/CEO Signature:	
Date:	

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Direct Negotiation Form

There are certain circumstances where the standard procurement methods as outlined in the Purchasing Policy cannot be followed, such as:

1. Single Source
2. Sole Source
3. Ministry Directed Funds

In such instances, a Direct Negotiation Form is to be completed by the requisitioning Department outlining the reasons for pursuing Direct Negotiation. This form must be reviewed and endorsed by the Contract Specialist and final approval will be in compliance with the Approval Authorities outlined in Schedule A, Table 1 a or b as required.

The Direct Negotiation Form must be kept with the Contract. Any time Direct Negotiation is pursued, the requisitioning Department must negotiate to obtain the best value in the circumstances for NDHC and the DNSSAB.

General Information	
Name:	
Department:	
Program/Project Name:	
Type of Direct Negotiation:	<input type="checkbox"/> Single Source <input type="checkbox"/> Sole Source <input type="checkbox"/> Ministry Directed Funds
Allowable Exception (reference exception number from Schedule B, ex. 1 f.):	
Explanation/Rationale for pursuing Direct Negotiation:	
Form Review	
Form reviewed by Contract Specialist:	<input type="checkbox"/> X _____
Requestor	
I certify that this form is in compliance with the Purchasing Policy.	
Manager/Director Name:	
Manager/Director Signature:	
Date:	
Authorization	
Manager/Director/CAO/CEO Name:	
Manager/Director/CAO/CEO Signature:	
Board Resolution Number (if applicable):	
Date:	

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SCHEDULE B: DIRECT NEGOTIATION	DEPARTMENT: CORPORATE SERVICES
	ASSOCIATED DOCUMENT: PURCHASING POLICY #CORP-01

Authority

Purchasing Policy #CORP-01

Intent of Schedule

To establish the circumstances under which direct negotiation (sole sourcing or single sourcing) shall be authorized.

Standards of Application

A Direct Negotiation procurement process shall only be used in particular circumstances. In general, the procurement methods outlined in the Purchasing Policy and Schedule A – Approval Authority and Procurement Method shall be the primary method of purchasing Goods, Services and Construction.

Direct Negotiation may be used if one or more of the following conditions apply.

1. *Single Sourcing*

- a. An attempt to purchase the required Goods and Services has been made in good faith using a method other than Direct Negotiation (i.e. Request for Proposal, Request for Tender, etc.) which has failed to identify a successful supplier and it is not reasonable or desirable that a further attempt to purchase the Goods or Services be made using a method other than Direct Negotiation.
- b. The Goods and Services are required as a result of an emergency, which would not reasonably permit the use of a method other than Direct Negotiation. *Note: failure to plan and allow sufficient time for a competitive procurement process does not constitute an unforeseeable situation of urgency.*
- c. The required Goods and Services are to be supplied by a particular vendor or supplier having special knowledge, skills, expertise or experience.

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- d. Where Goods or Services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through a competitive procurement process could reasonably be expected to compromise DNSSAB and/or NDHC confidentiality, cause economic disruption or otherwise be contrary to the public interest.
- e. Where a Contract is to be awarded under a cooperation agreement that is financed, in whole or in part, by an international cooperation organization, only to the extent that the agreement between the entity and the organization includes rules for awarding Contracts that differ from the obligations set out in the Purchasing Policy.
- f. Where construction materials are to be purchased and it can be demonstrated that transportation costs or technical considerations impose geographic limits on the available supply base, specifically in the case of sand, stone, gravel, asphalt, compound and pre-mixed concrete for use in the construction or repair of roads.
- g. Where compliance with the competitive procurement provisions set out in the Purchasing Policy would interfere with the DNSSAB's and/or the NDHC's ability to maintain security or order or to protect human, animal or plant life or health.

2. Sole Sourcing

- a. The required Goods and Services are reasonably available from only one source by reason of one or more of the following:
 - i. Scarcity of supply in the market;
 - ii. A statutory or market based monopoly;
 - iii. Existence of exclusive rights held by any supplier (patent, copyright, license);
 - iv. The need for compatibility with Goods and Services previously acquired and there are no reasonable alternatives, substitutes or accommodations;
 - v. A need to avoid violating warranties and guarantees where service is required.
- b. The required Goods and Services will be additional to similar Goods and Services being supplied under an existing contract.

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- c. Where there is an absence of competition for technical reasons and the Goods or Services can be supplied only by a particular supplier and no alternative or substitute exists.
- d. For the purchase of Goods on a commodity market.
- e. For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor.
- f. For work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work.
- g. For a contract to be awarded to the winner of a design contest.
- h. For the procurement of a prototype of a first Good or Service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases.
- i. For the purchase of Goods under exceptionally advantageous circumstances such as bankruptcy or receivership but not for routine purchases.
- j. For the procurement of original works of art.
- k. For the procurement of subscriptions to newspapers, magazines or other periodicals
- l. For the procurement of real property.

3. Ministry Directed Funds

In some instances, the Ministry provides funding which must be directed to a particular group or under prescribed circumstances. Some examples include:

- Funding received for Child Care Providers
- Funding received to retrofit 7-level apartment complexes

Because the funding is prescribed by the Ministry's regulations, it will not be possible to pursue an open competitive procurement process. Departments should take care to make purchases as competitive as possible within the guidelines set by the Ministry.

In instances where the standard procurement methods as outlined in the Purchasing Policy cannot be followed (in accordance with the circumstances listed above), a Direct Negotiation Form hereto attached as Appendix 1, is to be completed by the requisitioning Department outlining the reasons for pursuing Direct Negotiation. This form must be reviewed and endorsed by the Contract Specialist and final approval will be in compliance with the Approval Authorities outlined in Schedule A – Approval

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Authority and Procurement Method. The Direct Negotiation Form must be kept in the Contract file. Any time Direct Negotiation is pursued, the requisitioning Department must negotiate to obtain the best value in the circumstances for the DNSSAB.

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SCHEDULE C: EXCLUDED GOODS AND SERVICES	DEPARTMENT: CORPORATE SERVICES
	ASSOCIATED DOCUMENT: PURCHASING POLICY #CORP-01

Authority

Purchasing Policy #CORP-01

Intent of Schedule

To list items that are exempt from the full requirements of the Purchasing Policy because they are recurring or non-competitive expenditures.

Standards of Application

The following purchases of Goods and Services are excluded from the Procurement Method portion of the Purchasing Policy. Please note that the appropriate Approval Authority must still be sought before a purchase can be made.

1. Training and Education including:
 - a. Conferences, conventions, workshops, courses and seminars;
 - b. Newspaper or magazine subscriptions, periodicals;
 - c. Memberships, association fees.
2. Refundable Employee expenses including:
 - a. Meal allowance
 - b. Travel expenses & accommodations
3. Employer's general expenses including:
 - a. Payroll deduction remittances
 - b. Medical documentation/forms
 - c. Insurance premiums
 - d. Tax remittances
 - e. Refunds and overpayments
4. Licenses, certificates and other approvals required.
5. Ongoing maintenance for existing computer hardware and software.
6. Professional and Special Services including:
 - a. Special tax, accounting and audit services, and advice from Board approved auditor
 - b. Legal services on individual files

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- c. Legal services on individual files where the Board contracted solicitor is unavailable, in a conflict of interest situation or does not possess the expertise required
- d. Medical, clinical and laboratory services
- e. Confidential items (e.g. investigations, forensic audits)
- f. Witness fees
- g. Counseling fees
- 7. Professional and special services
 - a. Committee fees
 - b. Honorariums
- 8. Utilities including:
 - a. Water
 - b. Sewer
 - c. Natural Gas
 - d. Electricity
 - e. Postal
 - f. Communication Infrastructure Services including Internet
- 9. Real property interest
 - a. All real estate transactions including lease or sale of property
 - b. Appraisal fees
- 10. Advertising
- 11. Entertainers or public speakers for special events
- 12. Banking services



SCHEDULE D: BID IRREGULARITIES	DEPARTMENT: CORPORATE SERVICES
	ASSOCIATED DOCUMENT: PURCHASING POLICY #CORP-01

Authority

Purchasing Policy #CORP-01

Intent of Schedule

To outline the process for administering irregularities contained in Bids.

Standards of Application

Care shall be exercised to ensure that Irregular Bids are handled in a manner which is consistent and fair to other bidders as well as the public.

The decision as to whether an improper bid shall be accepted or rejected shall be based on the following general considerations:

1. Is the intention of the bidder clear?
2. Has the bidder made a conscientious attempt to comply with the submission requirements?

The following are guidelines only and are intended to illustrate some of the discretion allowed. The response to the Bid Irregularity must also take into consideration the requirements as set out in the competitive procurement documents (Request for Proposal, Request for Tender, etc.). The Contract Specialist or Delegate and the Director of Corporate Services will review each case.

	IRREGULARITY	RESPONSE
1	Late Bids	Automatic rejection. Not opened or read publicly and returned unopened to the bidder.
2	Unsealed Tender envelopes	Automatic rejection.
3	Insufficient financial security (no deposit or bid bond or insufficient deposit (includes deposit cheque not certified) or bid bond	Automatic rejection unless insufficiency is trivial or insignificant.
4	Bids not completed and/or signed in erasable medium (such as lead pencil)	Automatic rejection.
5	Bid is unsigned (or is improperly signed – for example, without corporate seal or by unauthorized person)	Automatic rejection.

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SCHEDULE D: BID IRREGULARITIES	PURCHASING POLICY #CORP-01	
6	Addenda, which have financial implications, have not been acknowledged	Automatic rejection.
7	All required sections of Bid document are not completed	Automatic rejection unless in the opinion of the Director of Corporate Services and the Department Director, the irregularity is trivial or insignificant.
8	Bids containing minor clerical errors	48 hours to correct and initial errors.
9	Qualified bids (bids qualified or restricted by an attachment statement)	Automatic rejection unless in the opinion of the Director of Corporate Services and the Department Director, the qualification or restriction is trivial or insignificant.
10	Bids received on documents other than those provided or specified by DNSSAB or NDHC	Automatic rejection unless in the opinion of the Director of Corporate Services and the Department Director, the matter is trivial or insignificant.
11	Execution of Agreements to Bond – Bonding company corporate seal or signature missing from agreement of bond.	Automatic Rejection.
12	Execution of Bid Bonds (a) Corporate seal or signature of the bidder, or both, missing (b) Corporate seal or signature of bonding company missing	48 hours to correct. Automatic rejection.
13	Other Bid Security – Uncertified Cheques	Automatic rejection.
14	Tender Documents – Execution (a) Corporate seal or witness signature missing but Signing Officer signature present. (b) Signing Officer signature missing (c) Corporate seal or witness affixed but Signing Officer signature missing	48 hours to affix. Automatic rejection. Automatic rejection.
15	Erasures, Overwriting or Strike-Outs which are not initialed: (a) Uninitiated changes to the tender documents which are minor (example: the tenderer's address is amended by over-writing but not initialed) (b) Unit prices in the Schedule of Prices have been changed but not initialed (c) Other mathematical errors which are not consistent with the unit prices	48 hours to initial. 48 hours to initial. 48 hours to initial corrections to be made by department.
16	Failure to attend mandatory pre-submission meeting or site visit	Automatic rejection.
17	Tender documents which suggest that the tenderer has made a major mistake in calculations of tender	Consultation with the Contract Specialist and Director of Corporate Services or Manager of Finance on a case by case

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SCHEDULE D: BID IRREGULARITIES

PURCHASING POLICY #CORP-01

		basis and report to CAO.
18	Only one Bid is received	(a) Bid returned unopened if additional Bids could not be secured. (b) The Bid may be considered at the discretion of the Director of Corporate Services and the Department Director and if found acceptable, then it may be awarded.
19	Any other Bid Irregularities	The Director of Corporate Services or designate shall have the authority to waive other irregularities or grant 48 hours to correct such other irregularities, considered minor in nature.

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