



Policy Manual – Finance

F.P.01 Purchasing Policy

The mission of Catholic Education in Hamilton-Wentworth, in union with our Bishop, is to enable all learners to realize the fullness of humanity of which Our Lord Jesus Christ is the model.

POLICY STATEMENT

To promote procurement processes and decisions, which are consistent with the ethical, fiduciary and strategic objectives of the Board and the Broader Public Sector Accountability Act, the following principles underpin these processes:

- Good stewardship of the board financial and non-financial assets
- Fair, open, accountable and transparent procurement;
- Stewardship of Creation; and,
- Waste reduction and recycling

This policy addresses all goods/services procured using board budgets, school generated funds, school council funds, or any other funds generated on behalf of the Board.

Purpose

The purpose of this policy is to provide a consistent framework of guiding principles and objectives for all purchasing activities within the Board. The Board, as a broader public sector (BPS) organization, must comply with the principles and directives contained within the BPS procurement directive including the Appendix: Centralization and Building Ontario Businesses Initiative.

Responsibility

All staff involved in the procurement process are required to comply with the Supply Chain Code of Ethics. This Code is drawn from the BPS Procurement Directive and is intended to cover all procurement activity related to any Board (or school) activity regardless of funding source or location. This Code has been adopted in the [Supply Chain Code of Ethics](#) found in Appendix A. Furthermore, staff are responsible for ensuring that they adhere to all board policies, procedures, applicable laws, regulations, rules and policies of any applicable government authority.

Regulations - As set out in [Schedule 1](#)

Related Policies:

F.P.02 Purchasing Authority

F.P. 04 Signing Authority

Related Board Committee

Committee of the Whole and Audit Committee

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Introduction

The Board supports a central Purchasing Department as a means of obtaining maximum value for each dollar spent consistent with the mission of the Board and fair business practices. The Board will establish standards for goods and services to ensure an acceptable level of quality for the system, promote work performed by qualified tradespeople, promote efficiencies with respect to cost and service, maintain a competitive atmosphere between suppliers ensuring that each is treated fairly, and ensure accountability and appropriate financial controls.

This will be accomplished through solicitation of competitive bids using methods such as: Request for Quotation (RFQ), Request for Proposal (RFP) and/or Sealed Tendering. The purchasing department may leverage the Board's buying power through Co-Operative Purchasing initiatives and/or through the development of Board system contracting and pre-qualified vendors of record through Request for Supplier Qualification (RFSQ). The Board may also request information from vendors through a Request for Information (RFI). The information collected in this manner cannot and will not be used or take the place of a competitive solicitation.

Purchasing Department

Sourcing, negotiations, contractual arrangements and the purchase, lease or rental of goods and services are the responsibility of the Board of Trustees through its Purchasing Department together with the department initiating the request for the goods and/or services.

The Purchasing Department is responsible for ensuring that competitive bids are obtained for purchases, in accordance with the approval authority schedules for goods & non-consulting and consulting services. A table indicating purchasing methods and limits is included in this document.

The Purchasing Department is responsible for determining the duty of tax status of purchases.

In making a decision to purchase, the Manager of Procurement, in consultation with the end user, will consider not only the price of the goods or services but also quality, delivery, service, warranty, reliability of the vendor/supplier and its impact on the Board's commitment to stewardship of creation.

The Manager of Procurement is authorized to dispose of surplus, obsolete or non-repairable goods and equipment declared surplus in accordance with Board Policy [F.M 02 - Disposal of Surplus or Obsolete Furniture, Fixtures and Equipment](#).

The authority to issue a purchase order in the name of the Board is delegated to the Manager of Procurement and/or designate.

Personal Purchases

The use of the Board's procurement resources for any personal or non-Board business related to acquisition of goods or services is not permitted. These resources include but are not limited to: the requisition, delivery, customs, clearances, or courier services.

Purchase Procedures, Methods and Limits

The purchasing methods within this section are the minimum requirements required to ensure financial control and to minimize financial risk.

Splitting transactions to avoid purchase limit requirements is never permitted.

Multi-unit purchases as well as individual purchases (e.g. a purchase of 10 laptops at \$1,000 each, at one time, will be considered a \$10,000 item for this policy).

Arrangements for equipment trials are to be made through the Purchasing Department in conjunction with the department responsible for the trial equipment and its subsequent evaluation.

If tenders or quotations are received after the advertised time, they will not be accepted.

The officials and trustees opening tenders can request information from bidders if terms, wording specifications, etc. need clarification. This should be done in writing.

Sealed, written changes, corrections, samples etc. shall be accepted if delivered to the Board before the tendering deadlines/times.

i) Vendors of Record (VOR's)

Departments within the Board (ICT, Plant, and Purchasing) have established long-term agreements with a number of vendors through a competitive process. These agreements have been made in accordance with Board policy. It is recommended that VOR's are established through a competitive open process using a national electronic website and lists of the Boards VOR's are kept on record. The vendors are to be solicited in accordance with the Board's purchase limits and methods.

All purchase transactions initiated by the Board will utilize the following:

ii) **Goods and Non-Consulting Services**

DOLLAR LIMITS	METHOD OF PROCUREMENT	DESCRIPTION
Zero (\$0) and up to \$5,000	Staff are encouraged to conduct an open, fair, and competitive procurement process whenever possible, regardless of the amount of the purchase.	<p>Where the estimated total value of goods or services is \$2,500 or less, a purchase requisition may be created.</p> <p>Where the estimated total value of goods or services is greater than \$2,500 a purchase requisition must be created. A requisition must be created in the Financial System and a purchase order must be issued prior to receipt of goods or services. The purchase order must be approved by the appropriate staff member with Purchasing Authority (see F.P.02 - Purchasing Authority Policy)</p>
\$5,001 - \$10,000	3 verbal quotes shall be obtained and kept on file (for audit purposes/future reference).	A requisition must be created in the Financial System and a purchase order must be issued prior to receipt of goods or services. The purchase order must be approved by the appropriate staff member with Purchasing Authority (see F.P.02 - Purchasing Authority Policy)
\$10,001 to \$99,999.99	3 written quotes minimum	Order placed with the low bidder via Purchase Order approved by the appropriate staff member with F.P.02 - Purchasing Authority Policy prior to goods and services being obtained.
\$100,000 and over	Tender	A minimum of 3 sealed replies obtained through the purchasing department. Replies will be signed with a Trustee present. Order is placed via Purchase Order to the lowest bidder. Must complete an RFX and/or public tendering on a national electronic Bidding system or to a prequalified VOR. A recommendation will go to the standing Committee of the Whole and approval obtained by Board of Trustees before order is placed with low bidder.

New facility tenders will be opened in a public forum. Dollar limits refer to both one-time purchases as well as anticipated total annual spend. The dollar limits (estimated total value) includes shipping, delivery, duties and Provincial and/or Federal taxes.

iii) Written Quotations

- a. Board staff obtaining the written quotations must provide sufficient specifications of all the goods and/or services required to all vendors. Consistent and concise information explaining the need must be shared equally among vendors when soliciting written quotes. Verbal information and/or direction is not acceptable, evidence of soliciting written quotes should be provided in writing clearly showing each vendor received the same request.
- b. Written quotes must be obtained from a minimum of three vendors. Where it is not possible to obtain three quotes, include documentation to support a valid reason why the required number of competitive price quotations could not be obtained.
- c. The written quotations must be:
 - On the vendor's prescribed letterhead, completed in ink and/or typewritten, signed by the authorized representative of the vendor; or
 - Emailed from an authorized representative of the vendor.
- d. Where vendors have been pre-qualified, written quotes should be obtained from this list if applicable.

The Board reserves the right to accept or reject any of all of the written quotations. The lowest quote may not necessarily be accepted. Should the purchase not be awarded to the vendor submitting the lowest cost quote, reasons for the selection must be documented in writing.

iv) Consulting Services (including Professional Services)

A consultant is defined as, "a person or entity that under an agreement, other than an employment agreement, provides expert or strategic advice and related services for consideration and decision making; the provision of expertise or strategic advice that is presented for consideration and decision-making." (i.e., hiring an individual or entity to provide strategic planning and advice for a project, be it capital or non-capital).

All consulting services must be procured using a competitive process with a minimum zero dollar (\$) threshold.

- a. For contracts with a total value of less than \$100,000 this may be an invitational process.
- b. For contracts above \$100,000, the process must be an open competitive process or you must have openly tendered for prequalified vendors of record (VOR).
- c. Any consulting work awarded through a non-competitive procurement must be exception-based only and is subject to explicit written justification and approval by the Director of Education and Chairperson of the Board (see [AAS for Consulting Services](#) and thresholds).
- d. A record of the accumulated costs of each service of a provider shall be maintained by the Administration of the department benefiting from this specialized service. If these costs exceed the amount that was initially approved, a report shall be

presented to the Committee of the Whole by the party responsible for the budget or designate.

v) Emergency Purchases

- a. Emergencies are defined as circumstances or situations beyond anyone's control which have the potential of affecting the health, life and safety of students or staff, or result in financial losses or have the potential to interfere with staff and students occupying the building, or may interfere with the delivery of the program.
- b. In the event of emergencies, the Director or designate has the authority to obtain goods and/or services in the most expedient manner possible. As soon as possible thereafter, staff will inform the Board of particulars involved and the action taken by way of a report to the standing committee as an item of information if the emergency expense is over \$100,000.

vi) Exceptions

- a. In instances where an expense is mandated by a municipality or other body, (e.g. building permits, utilities), the purchase is to be considered a sole source transaction and no formal tendering process is required.

vii) Specialized Services

Certain goods and/or services and long-term arrangements may be exempt from this policy as their value is determined by the Board through other contractual agreements, or by resolution. Examples include, but are not limited to:

- a. Banking services
- b. Employee benefits (excluding long-term disability)
- c. Insurance
- d. Legal services

viii) Computer Technology Devices and/or Peripheral Purchases

- a. Computer technology devices (desktops, laptops, tablets, etc.) and/or peripheral purchases must be processed ~~by~~ using the purchase requisition system and referencing the most recent [Board Supported Technology list](#) found on the Board's internal web-site (mySite).
- b. Any unsupported computing technology devices and/or peripherals that require connection to the Board's network requires pre-approval of the Chief Information Officer (CIO). It is the responsibility of the initiator to send the details and rationale for the unsupported technology to the CIO.

ix) Facilities Department Purchases

All Facility related purchases and betterments shall be coordinated through the Facilities Department (i.e.: playground upgrade, landscaping upgrade, painting, etc.). Please refer to Board policy [B.B.04- Alterations and/or Renovations to Schools, Administrative Buildings, School Yards and Board Property](#)

x) Capital Project and Change Order(s)

The following procedures apply to all change orders for capital projects:

- a. A written architect's certificate, complete with costs, recommending the change to

- the existing contract is to be submitted to the Senior Manager of Facility Services.
- b. All change orders under \$25,000.00 shall be approved by the Senior Manager of Facility Services.
 - c. Any single change order that necessitates a purchase order dollar increase over \$25,000 shall be reviewed by the Senior Manager of Facility Services and Associate Director of Corporate Services, and then submitted to the next Committee of the Whole meeting for approval.
 - d. In situations requiring immediate action, upon recommendation of the Architect together with the Senior Manager of Facility Services and the Associate Director of Corporate Services such change orders shall be approved by the Director of Education [and the Chairperson of the Committee of the Whole]. Change orders approved in such manner will be presented at the next meeting of the Committee of the Whole.

xi) Non-Competitive Procurement

- a. Single Sourcing; Where an unforeseen emergency situation arises, the goods and services may be acquired from a specific vendor. When purchasing such items, justification to support the decision must be formally documented using the Non-Competitive Bypass Form
- b. Sole Sourcing: Where only one vendor is able to meet the requirements of procurement in the circumstances. When purchasing such items, justification to support the decision must be formally documented using the Non-Competitive Bypass Form. In such cases, the requisition and form must be preauthorized in accordance with the Approval Authority Schedules, Appendix A and B.

xi) Unauthorized Purchases

All Purchases made in the name of the Board without proper authorization under Board policy may be considered an obligation of the person making the purchase and not an obligation of the Board.

Cooperative Purchasing

Where appropriate, the Board may leverage its buying power through co-operative purchasing initiatives with various groups outside of the Board in order to aggregate demand to achieve economies of scale.

The Board may participate in agreements administered by Integrated Supply Chain Management (ISCM) – compliant cooperative purchasing groups involving other BPS partners – wherever it is in the best interests of the Board to do so.

Cooperative Purchasing agreements will be administered by the department Administrator that it affects (i.e. Utilities would fall under the Facilities Dept., Paper purchase would fall under the Purchasing Dept.), however, the responsibility for the process establishing the agreement will be the responsibility of the cooperative purchase group.

The respective department will obtain approval from the Board prior to participating in the

cooperate purchasing agreements when the anticipated spending by the Board will exceed \$100,000 annually.

Tender Openings

All quotations/tenders shall be addressed to the Purchasing Department.

Value	Opening Committee	Approver
\$100,000 - \$1,000,000	Manager of Procurement (designate) and 1 Trustee	Board of Trustees
\$1,000,000 and over	Manager of Procurement (designate) and 1 Trustee	Board of Trustees

In the case of tied bids, a coin flip will take place. The coin will be a \$2.00 Canadian coin. The flip will be done by the Manager of Procurement (designate) and 1 Trustee and in the presence of both proponents. The company with the name first in alpha order will choose heads or tails.

The Board may preclude a vendor bidding if the vendor has made a formal demand or otherwise put the Board on notice of pending legal action or is involved in any actual litigation proceedings (excepting only construction lien demands, notices or proceedings).

Business Agreements

- a. A business agreement is any understanding or arrangement reached between two or more parties; whereas, a contract is a specific type of agreement that, by its terms and elements, is legally binding and enforceable in a court of law.
- b. Staff may enter into a non-renewable business agreement with a vendor/service provider for a period not to exceed two years. This agreement must be pre-approved by the respective budget holder/immediate supervisor/Superintendent. (e.g. school uniform, vending machine, etc.).
- c. These agreements shall be maintained by the staff member/department. All business agreements are to be in accordance with Board policies and related bylaws i.e., Sweatshop free policy, Bottled Water Policy, PPM 150, etc. In addition, they should include language/provisions that where necessary fully indemnifies the board of any liability caused on the part of the vendor/service provider.

Contracts

(i) Contract Management

- a. The Board shall, where possible, establish standards for goods and services to ensure an acceptable level of quality for the system and to promote efficiencies with respect to cost and service.
- b. Contracts must be managed responsibly and effectively by all departments who are involved in procurement activities. The goal of contract management is to drive improvements of contract performance both financially and operationally while minimizing the Board's risk throughout the life of a contract.

- c. The responsibility of contract management lies with each department who is responsible for that particular contract management activity. However, the Purchasing department should be contacted if vendor performance is an issue and action needs to be taken.
- d. Board staff responsible for managing a contractor or vendor performance must ensure that they are regularly tracking a supplier's performance; including ensuring timely deliveries and service calls; ensuring that quality goods are delivered on time; ensuring that milestones are met for projects; ensuring superior workmanship and quality; ensuring appropriate issuance of all necessary paperwork; and ensuring invoices match the contract.
- e. Invoices are approved and payments are made in accordance with the provisions of the contract.

(ii) Contract Signing/Signing Authority

- a. The signing authority for all binding contracts shall be the Chairperson of the Board or Vice-Chairperson and the Director of Education or the Associate Director of Corporate Services.
- b. Being listed on the AAS (Appendix B & C) does not constitute authority as a signing officer of the Board. Any contract signed by a Board employee, who is not authorized to enter into a contract, will be considered an obligation of the person signing the contract and not an obligation of the Board.

Purchasing Authority (refer to the AAS schedules)

The following staff have Purchasing authority for Board requisitions and purchase orders subject to the approved method of procurement as established by the Purchasing Policy:

The Director of Education;
 Associate Director of Corporate Services;
 Superintendent of Education;
 Superintendent of Human Resources;
 Senior Manager of Facility Services;
 Chief Information Officer (not to exceed \$25,000);
 Controller of Business Services (not to exceed \$25,000);
 Assistant Superintendent of Education (not to exceed \$10,000); School
 Principal (not to exceed \$10,000);
 Manager of Procurement (not to exceed \$10,000);
 Area Manager-Custodial Services (custodial supplies not to exceed \$2,500);
 Manager – Library & Information Services (not to exceed \$10,000)

SUPPLY CHAIN CODE OF ETHICS

All Board employees involved in any aspect of purchasing or other supply chain related activities must comply with the following Supply Chain Code of Ethics. These are not a substitute for personal integrity and good judgement; they are intended to serve as a minimum standard of behaviour:

Personal Integrity and Professionalism

All individuals involved in 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 (purchasing) activities within and between BPS organizations, suppliers and other stakeholders.

Respect must be demonstrated for each other and for the environment.

Confidential information must be safeguarded.

Participants 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.

Accountability & Transparency

Supply chain activities must be open and accountable. In particular, tendering, contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for public money.

All participants must ensure that public sector resources are used in a responsible, efficient and effective manner.

Compliance & Continuous Improvement

All BPS supply chain participants must comply with this Code of Ethics and the laws of Canada and Ontario.

Participants should continuously work to improve supply chain policies and procedures, to improve supply chain knowledge and skill levels, and to share leading practices.

All Purchasing Department staff and other Board staff members involved with procurement related activities must sign a "Declaration Agreement for Ethical Conduct and Conflict of Interest form.



Hamilton-Wentworth Catholic District School Board
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APPROVAL AUTHORITY SCHEDULE (AAS) FOR CONSULTING SERVICES TEMPLATE

<u>Procurement Method</u>	<u>Procurement Value</u>	<u>Approval Authority</u>
Invitational Competitive	>\$0 and <\$100,000	Board AAS
Open Competitive	Mandatory for >\$100,000	Board AAS
Non-Competitive (EBO)	a) >\$0 and <\$50,000	Director of Education
	b) \$50,000 and <\$100,000	Director of Education & Chairperson of the Board
Non-Competitive (EBO)	>\$100,000	Board of Trustees

EBO (exemption-based only)

NOTE: cannot reduce the overall value of procurement (e.g., dividing a single procurement into multiple procurements) in order to circumvent the approval requirements of the organizational AAS (Approval Authority Schedule) or the Procurement AAS for Consulting Service.



Hamilton-Wentworth Catholic District School Board

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APPROVAL AUTHORITY SCHEDULE (AAS) FOR GOODS & NON-CONSULTING SERVICES TEMPLATE

<u>Purchase Amount (excl. taxes)</u>	<u>Delegation of Financial Authority (DOFA)</u>
<\$10,000	Principal, Manager, Manager–Special Assignment, Assistant Superintendent of Education, Area Manager (custodial services up to\$2,500)
<\$25,000	Controller of Business Services, Chief Information Officer
>\$10,000 and <\$100,000	Director of Education, Superintendent, Associate Director of Corporate Services, Superintendent of Human Resources, Senior Manager of Facility Services
>\$100,000	Board of Trustees
Non-Competitive a)>\$10,000 and <\$100,000	Director of Education
Non-Competitive >\$100,000	Board of Trustees

Note: the dollar limits refer to both one-time purchases as well as anticipated total annual spend

Applicable Laws, Trade agreements and Regulations

1. Procurement activities at the Board must be conducted in accordance with all laws, regulations and standards, including, but not limited to:
 - a. All Board policies and procedures
 - b. Access for Ontarians with Disabilities Act, 2005 and Regulations
 - c. Municipal Freedom of Information and Protection of Privacy Act and Regulations.
 - d. Education Act and Regulations
 - e. Broader Public Sector Accountability Act
 - f. Broader Public Sector Procurement Directive
 - g. Centralization and Building Ontario Businesses Initiative (BOBI) Act

2. Procurement activities at the Board must comply with the following binding Trade Agreements, as well as any additional trade agreements that may apply to the Board in future:
 - a. [Canada Free Trade Agreement \(CFTA\) – all Provinces and Territories](#)
 - b. [Trade and Cooperation Agreement between Ontario and Quebec – Ontario](#)
 - c. [Canada-European Union \(EU\) Comprehensive Economic and Trade](#)