

Policy Manual – Finance

F.P.01 Purchasing Policy

Policy Statement

To promote procurement processes and decisions in the spirit of the Hamilton-Wentworth Catholic District School Board's Mission and Vision, which are consistent with the ethical and strategic objectives of the Board and the Broader Public Sector Accountability Act, the following principles underpin these processes:

- Stewardship of the board financial and non-financial assets
- Fair, open and transparent procurement;
- Preservation of the natural environment; 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 of the Board. The Board, as a broader public sector (BPS) organization, must comply with the principles and directives contained within the BPS procurement directive.

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 activity regardless of funding source or location. This Code has been adopted in the [Purchasing 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

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To be reviewed every three years

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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 educational goals of the Board and fair business practices. The Board will, where possible, 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 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. The Board may also request information from vendors through a Request for Information (RFI). The information collected in this manner cannot 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 through its Purchasing Department in conjunction with the department supporting the goods & services.

The Purchasing Department is responsible for ensuring that competitive bids are obtained for purchases, where appropriate. 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 the environment.

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 needed to ensure financial control and to minimize financial risk.

Splitting transactions to avoid purchase limit requirements is not permitted.

Multi-unit purchases as well as individual purchases (e.g. a purchase of 10 laptops at \$1,000.00 each, at one time, will be considered a \$10,000.00 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 from 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
Under \$10,000	3 written quotations shall be obtained at the discretion of the Manager of Procurement	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)
\$10,000 to \$100,000	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. If 3 quotes not obtained, explanation must be submitted in writing to the Manager of Procurement.
\$100,000 and over	Tender	Budget Holder to request assistance from the Purchasing Department to issue the RFx. A minimum of 3 sealed replies obtained. Replies will be opened 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 and approval obtained by Board before order is placed with low bidder. If 3 quotes not obtained, an explanation to board must be provided.

New site builds 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 include Provincial and/or Federal taxes.

iii) 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 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 \$100,000.00 this may be an invitational process.
- b. For contracts above \$100,000.00, the process must be an open competitive process or you must have openly tendered for prequalified vendors of record (VOR) and can choose to invite a minimum of three VOR's to compete for the service.
- 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.

At its Inaugural or annual Initial Meeting, the Board shall appoint a Banker, Solicitor and update the status of the current External Auditor.

iv) Emergency Purchases

- a. Emergencies are defined as circumstances or situation beyond anyone's control which have the potential of affecting the health, life and safety of students or other personnel, 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.

v) 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.

vi) Computer and Peripheral Purchases

- a. Computer and peripheral purchases must be processed by the purchase requisition system and referencing the most recent [Board Supported Technology list](#) found on the Boards internal web-site mySite.
- b. If the computers and peripherals are to be connected to the Boards network, the Chief Information Officer shall review the request. It is the responsibility of the initiator of the requisition to send the order for approval.

vii) Plant Department Purchases

All Facility related purchases and betterments shall be coordinated through the Plant 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](#)

viii) 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. All change orders over \$25,000.00 shall be approved by the Senior Manager of Facility Services in consultation with the Budget official, then submitted to the next Committee of the Whole 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) 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.

In addition, the Board may participate in agreements administered by Integrated Supply Chain Management (ISCM) – compliant co-operative purchasing groups involving other BPS partners whenever it is in the best interests of the Board to do so.

Co-operative Purchasing Agreements will be administered by the department Administrator that it affects (i.e.: utilities would fall under the Plant dept., paper 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 cooperative purchasing agreements when the anticipated spending by the Board will exceed \$100,000.00 annually. The eventual Cooperative Purchasing Agreement will be exempt from the normal Board approval process and will be presented at the appropriate monthly Board meeting for information purposes only.

Tender Openings

All quotations/tenders shall be addressed to the Finance Tender Department.

Value	Opening Committee	Approver
\$100,000.00 - \$1,000,000.00	Manager of Procurement (designate) and 1 Trustee	Board of Trustees
\$1,000,000.00 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

- a. Contracts must be signed by an appropriate authority in accordance with the Board's ***Signing Authority policy***.
- 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 officials have Purchasing authority for Board requisitions and purchase orders:

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 \$25,000.00);
Controller of Business Services (not to exceed \$25,000.00);
Assistant Superintendent of Education (not to exceed \$10,000.00);
School Principal (not to exceed \$10,000.00);
Manager of Procurement (not to exceed \$10,000.00);
Area Manager-Custodial Services (custodial supplies not to exceed \$2,500);
Manager – Library & Information Services (not to exceed \$10,000.00)

PURCHASING 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.



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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.



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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, Senior Manager of Facility Services, 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
>\$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](#)
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](#)