

***POLICY TITLE: PROCUREMENT***

***POLICY:*** New Path Youth and Family Services of Simcoe County (New Path) procurement function shall be performed in an open, fair and transparent manner where goods and services are procured in a competitive environment and where all transactions yield the optimal benefit to the agency.

New Path aspires to high ethical, legal, environmental, managerial and professional standards in the management of the resources entrusted to it following the Ontario Broader Public Sector Supply Chain Code of Ethics.

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**GUIDELINES**

New Path works within a brokered services environment and contracts both frontline and back office services with a variety of network partners. As such, these contracts fall outside of this procurement scope in an understanding with the Central Regional Office of the Ministry of Children & Youth Services and Ministry of Community and Social Services.

- *Personal Integrity and Professionalism*  
All broader public sector (BPS) supply chain participants will 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 BPS organizations, suppliers and other stakeholders. Respect will be demonstrated for each other and for the environment. Confidential information will be safeguarded. Participants will not accept gifts and favours, provide preferential treatment, publicly endorse suppliers or products or engage in any other activity that would create, or appear to create, a conflict of interest.
- *Accountability & Transparency*  
Supply chain activities will 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 will ensure that scarce public sector resources are used in a responsible, efficient and effective manner.
- *Compliance & Continuous Improvement*  
All BPS supply chain participants will 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.

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Segregation of Duties

The following segregation of duties is in place to ensure goods and services are purchased in an efficient and cost effective manner and to establish internal control over the authorization of expenses.

- *Designated Signing Authority*  
Designated signing authorities are appointed by the Board of Directors as follows: Chief Executive Officer, Director of Finance, Board Chair, Chair of the Audit Committee, and Vice Chair. Any changes to this roster of individuals can only be made by a motion of the Board.
- *Requisition of goods and services*  
Requests for goods and services can be made throughout the organization and sent to the appropriate Director/Manager for approval within their respective scope of authority.
- *Budgeting for the purchase of goods and services*  
Budgets for purchase of goods and services are set annually by the Director of Finance in consultation with the Leadership Team and approved by the Board of Directors.
- *Commitment to release orders to vendors*  
All orders for goods and services are processed through the Director of Finance or delegate(s) and placed with the vendor.
- *Receipt of goods and services*  
Goods and services received are checked for accuracy and completeness against the packing slip by the administrative assistants, supervisors or managers, noting all discrepancies, and forwarded to the Director of Finance.
- *Payment approval for goods and services*  
Financial signing authority rests with the Chief Executive Officer or delegated to specific Directors within the organization, consistent with the Director's accountability and that fall within the approved annual budget.

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Contracts or Agreements

Based on the assumption of thorough vetting and within the approved annual budget, the following will apply:

1. The Following agreements must be signed by a least one signing authority or designate
  - a. All contracts, leases and partner agency agreements.
  - b. All contracts, leases and partner agency agreement renewals or amendments.
  - c. Offer letters to independent service contractors, offers of employment or employment contracts.
  - d. Annual bank operating agreements and renewals.
  - e. Government reporting
  - f. Bank Credit Card agreements
  - g. Supplier credit or purchase account agreements
2. Program training agreements up to \$1,500 are signed by the appropriate Manager and reviewed with the Chief Executive Officer or designate.
3. Acceptance of bequests and endowments are signed by the Chief Executive Officer or Board Chair.
4. Bank loans, notes or short term borrowing agreements are signed by the Chief Executive Officer and Director of Finance and approved by the Board of Directors.
5. Legal consultations: approval to consult with legal counsel occurs through discussion with the Chief Executive Officer.
6. Cheque Runs: every cheque run report is reviewed and signed by the Director of Finance.
7. The following areas fall under the Procurement Limits:
  - a. All consultant agreements
  - b. Equipment purchases
  - c. Supply contracts

Cheque Signing Authority

All cheques will be signed by two designated signing authorities; any cheques over \$99,999 are signed by the Chief Executive Officer and Board Chair or Chair of the Audit Committee.

Approval Authority Schedule

New Path has established the following competitive procurement thresholds in accordance with the Broader Public Sector (BPS) Procurement Directive:

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**Goods, Non-Consulting Services and Construction**

Purchase Amount (excluding taxes) for Competitive Award of Goods, Non-Consulting Services	Means of Procurement	Delegation of Financial Authority (DOFA) to approve a Competitive Award for Goods, Non-Consulting or Construction Services
\$0 up to but not including \$20	Petty cash	Petty Cash Custodian
\$20 up to but not including \$1,500	Procurement card (Credit Card)	Manager
\$20 up to but not including \$5,000	Purchase Request	Manager
\$5,000 up to but not including \$15,000	Purchase Request, Invitational or competitive procurement	Chief Executive Officer or Chief Operating Officer and Director of Finance
\$15,000 up to but not including \$100,000	Invitational competitive procurement (minimum of three suppliers are invited to submit a bid)	Chief Executive Officer
\$100,000 or more	Open completeive process	Chief Executive Officer and Chair of Audit Committee or Board Chair

**Consulting Services**

Total Procurement Value	Means of Procurement	Delegation of Financial Authority (DOFA) to approve Consulting Services
\$10,000 up to but not including \$100,000	Invitational or open competitive process	Chief Executive Officer and Chair of Audit Committee or Board Chair
\$100,000 or more	Open completeive process	Chief Executive Officer and Chair of Audit Committee or Board Chair

**Construction**

Total Procurement Value	Means of Procurement	Delegation of Financial Authority (DOFA) to approve Construction Services
\$15,000 up to but not including \$100,000	Invitational or open competitive process	Chief Executive Officer, Chair of Audit Committee or Board Chair
\$100,000 or more	Open completeive process	Chief Executive Officer, Chair of Audit Committee or Board Chair

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Competitive Procurement Thresholds

New Path will follow the mandatory requirements under the BPS Procurement Directive for open competitive procurement. Exceptions to open competitive procurement include the following:

Sole Sourcing Exemption

Where only one supplier is able to meet the requirements of procurement, New Path will conduct non-competitive procurement as identified in the circumstances listed below (also known as sole source situations):

- To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licenses, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative;
- 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;
- For the procurement of goods or services, the supply of which is controlled by a supplier that is a statutory monopoly;
- For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor;
- 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 or at the exclusive control of the lessor;
- For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases;
- For the procurement of original works of art;
- For the procurement of subscriptions to newspapers, magazines or other periodicals;
- For the procurement of real property.

All non-competitive and competitive procurement purchases are made within the following process:

1. Requests for purchase are generated by staff and approved by the Manager/Supervisor.
2. Goods received are matched to packing slips.
3. Invoices are initialed by appropriate Manager/Supervisor and forwarded to the Director of Finance.
4. Purchase Requisitions are reviewed and approved by the Director of Finance prior to the cheques being issued.

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Monitoring Report Requirements

1. Annual listing of contracts awarded over \$25,000, disclosing the supplier and the amount to be provided to the Audit Committee with 30 days of fiscal year-end.
2. Annual listing of any approvals for purchases/contracts outside of approved budget to be provided to the Audit Committee with 30 days of fiscal year-end.

Reference and Links:

Broader Public Sector Procurement Directive issued by Management Board of Cabinet, April 1, 2011.

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*Approved By:* *Glen Newby*  
*Date:* August 12, 2016