

	POLICIES AND PROCEDURES	Policy No:	BPSAA 2
SECTION:	Broader Public Sector Accountability Act	Version #:	
SUB-SECTION:		Original D:	May 13, 2022
SUBJECT TITLE:	Purchasing	Revised D:	
APPLIES TO:	CLSL Association	Reviewed D:	
APPROVAL BY:	Board of Directors	Review By D:	
REFERENCES:	Broader Public Sector Accountability Act		

PURPOSE / POLICY:

Community Living Sarnia-Lambton (CLSL) will practice fair and objective purchasing, with due regard for price, quality, service, use of local suppliers, vendor reputation, warranty and support for CLSL's Mission, Vision, and Principles.

All purchasing practices will be conducted within the scope of the Broader Public Sector Accountability Act, 2010.

SCOPE:

This policy is applicable to CLSL employees and Board of Directors so authorized to make purchases on behalf of the CLSL.

PROCEDURES:

This policy covers CLSL purchases of goods and/or services, unless otherwise exempted by Policy. And includes, but is not limited to purchases by credit card, store credit, cash, or use of a Purchase Order.

All purchases will be made within the policy governing Purchasing Authority.

Any purchase that exceeds the position purchasing authority must have prior approval of the supervisor, by way of a duly authorized and signed Purchase Order.

All purchases will be made within the current approved annual and/or fiscal budget limits.

Any purchase outside the approved annual and/or fiscal budget, must follow the guidelines of the Unbudgeted Purchasing policy.

Quality of merchandise, accessibility of service and price must always be considered, while supporting local vendors whenever possible.

The Controller shall be responsible to ensure compliance with this policy.

The following outlines the means by which purchases will normally be undertaken:

Purchase Value	Means of Purchase
\$0 to \$100	Petty Cash, Expense Claim, Cheque or Purchase Requisition, Credit Card, <i>Fundscrip</i> Gift Card or Invoice
\$101 to \$5,000	Credit Card, <i>Fundscrip</i> Gift Card, Expense Claim, Cheque or Purchase Requisition, Invoice or Purchase Order. Quotes Typically not required.
\$5,001 to \$25,000	Informal Quotation - 2 quotes minimum
\$25,001 to \$100,000	Formal Quotation - 3 written quotes minimum
\$100,001 or more	Formal Tender Process

Value for Money

CLSL will seek value for money in all purchasing activities.

Value for Money is achieved in an open, competitive environment in which suppliers, funders and decision makers can be confident that vendor proposals will be assessed fairly and based on merit.

This does not automatically mean that lowest price will obtain the sale; rather it incorporates and considers fitness for purpose, fair market price, return on investment, life cycle costs, timely delivery, after purchase service and support, evidence of previous performance, experience or referrals, warranties and conformity with known standards, safety considerations and legal requirements.

Segregation of Duties

All purchasing practices will include transparent oversight and segregation of duties to avoid end to end control by any one individual. Sign-off for any purchase, including those by Expense Claim, will be in keeping with the policy governing Purchasing Authority.

Exemptions

- I. This Policy covers the purchase of all types of goods and services with the exception of the following:
 1. Professional and special services including:
 - a. Additional non-recurring accounting and auditing services
 - b. Banking services where covered by agreements
 - c. Group benefits
 - d. Realty services regarding the lease, acquisition, demolition, sale of land and appraisal of land
 - e. Consulting services
 - f. Legal services
 2. Ongoing maintenance for existing computer hardware and software
 3. Petty cash items

4. Hiring of contract employees
5. Insurance
6. Training and education including:
 - a. Conferences, courses, seminars, conventions, employee development/workshops
 - b. Magazines and periodicals
 - c. Memberships
 - d. Employee relations
7. Refundable employee expenses including:
 - a. Cash advances
 - b. Meal allowances, accommodations and travel expenses
8. Utilities
 - a. Electricity, water, gas
 - b. Telephone, internet
 - c. Postage
9. Employer's general expenses including:
 - a. Payroll deduction remittances
 - b. Medicals
 - c. Insurance premiums
 - d. Tax remittances
 - e. Payments of damages
 - f. Charges to/from other Government Corporations
10. Licenses, certificates, and other approvals required

While the above are exempt and do not require the issuance of a Purchase Order, they will be managed by the policy governing Purchasing Authority.

II. Negotiations Method

All purchasing of goods and/or services shall be by a competitive method except for the following where the negotiation method will apply:

1. When goods or services may only be available by one source;
2. When the required item is covered by an exclusive right such as a patent, copyright or exclusive license;
3. When due to the low dollar value of the goods or service, competitive sourcing would not be economical or would not likely attract bids;
4. Where compatibility within an existing product or process, or avoidance of violation warranty/guarantee requirements is the overriding consideration;
5. When two or more identical lowest bids have been received;
6. When due to market conditions, goods are in short supply;
7. When all acceptable bids exceed the amount budgeted and re-tendering would not be beneficial;
8. When the extension or reinstatement of the existing contract would be

- the most cost effective or beneficial method and is in the best interest of CLSL;
9. In an emergency, where goods and/or services are deemed necessary and time and safety concerns reasonably limit the use of this process;
 10. When no bids are received;
 11. Where the best interests of CLSL would be served through purchase by negotiation.

Authority to incur expenditures of CLSL's funds through the Negotiation Method shall be subject to the same spending approval levels as outlined in the Purchasing Authority Policy.

For the purpose of this policy, "Negotiation Method" shall be defined as a process that enables a flexible approach that reduces administrative costs and promotes efficiency and economy. The purchaser will typically confer with one or more supplier to reach an agreement on needed goods or services under the conditions outlined in this policy.

Vendors of Record

CLSL may source various purchases to Vendors of Record. Such vendors who have previously and successfully provided a quotation or tender to CLSL and have provided and or continues to supply superior workmanship, products or technical expertise, may be deemed a preferred supplier or contractor. The Controller, in consultation with the Executive Director will maintain a list of Vendors of Record whose services will be utilized as per the following definitions.

Mandatory Suppliers – must be used to purchase these good and services without exception. Any deviation from using a mandatory supplier must first have written approval from the Controller.

Preferred Suppliers – seen as the main supplier of goods and services and are expected to be used in the first instance, however, other suppliers can be used when time, cost or availability are an issue.

CLSL will maintain and review periodically a Vendor of Record List for the following areas:

- IT & Data Management
- Lawn, Garden and Snow Removal
- Heating, Plumbing and Air Conditioning
- Electrical
- General Contractor
- Flooring
- Cabinetry
- Auto Repairs
- Printing Services

Requests for Quotation

No quotation shall be required for purchases less than \$5,000 providing the value of the purchase does not exceed the purchasing limits as outlined in the policy governing Purchasing Authority.

Informal Quotation (Greater than \$5,000 but not greater than \$25,000)

1. The Controller shall consider the relevant specifications, budget authorization, approval authority and terms and conditions for the purchase of goods, services or construction.
2. The Controller shall ensure that at minimum 2 quotes are obtained, whenever practicable. These quotes shall be obtained either by way of phone, e-mail, fax or similar communication methods. The award of the purchase shall be to the lowest responsive quote subject to the required specifications and performance. Evidence of the quotations shall be attached to the Purchase Order and invoice.
3. CLSL reserves the right to accept or reject any quotation at its sole discretion.

Formal Quotation (Greater than \$25,000 up to \$100,000)

1. The Controller shall consider the relevant specifications, budget authorization, approval authority, and terms and conditions for the purchase of goods, services, or construction.
2. The Controller shall ensure a minimum of 3 written quotes are obtained. The award of the purchase shall be to the lowest quote subject to the specifications and contractor performance.
3. The Controller shall report to the Executive Director providing a summary of the bids with recommendations of the award of the purchase to the lowest responsive quote subject to the specifications and contractor performance.
4. CLSL reserves the right to accept or reject any submission at its sole discretion.

Tenders

The acquisition of all goods and/or services having an estimated value greater than \$100,000 shall be obtained using the Request for Tender Policy and may require contractor pre-qualification (Appendix A). The requirements of this competitive process may be waived under the authority of the Board of Directors. In this case, the tender process will be replaced by the Negotiation Method. The circumstances in which the negotiation method would be appropriate are outlined in the policy governing Request for Tender.

Emergency Purchases (Exclusions)

When a situation requiring immediate purchase of goods or services is essential to prevent serious delays in critical service, involves danger to life, health or safety of persons supported, employees or the public, or to prevent damage to property, the Executive Director or designate may approve the required purchase or service notwithstanding any other provision of this policy. In so doing, the Executive Director will provide a report to the Board of Directors summarizing the purchase and rationale for same.

Exceptional Circumstances

CLSL has a clear responsibility to report any unusual purchasing issues of a serious nature to its key funders and the Board of Directors, and to Police Services when matters could potentially result in civil or criminal proceedings.

FORMS, REFERENCES & RESOURCES:

Cross Reference:

- Expense Claims policy*
- Accounts Payable policy*
- Purchasing Authority policy*
- Purchase Requisitions and Purchase Orders policy*
- Unbudgeted Purchasing policy*
- CLSL Credit Card Program policy*
- Request for Tender policy*
- Conflict of Interest policy*
- Expense Claim Form policy*
- Special Payment Request Form*
- Perquisites policy*
- Supply Chain Code of Ethics policy*

Resource:

[Broader Public Sector Accountability Act Directives](#)

ACKNOWLEDGEMENT:

I have read, understand, and agree to abide by, this Acceptable Use Policy:

_____ Date: _____

POLICY CHANGE LOG:

POLICY LEAD(S):	Original	Revised	Reviewed	Date:	Approved by: