

<b>West Neighbourhood House</b>	
Policy Title:	<b>Procurement Policy</b>
Approved by:	West Neighbourhood House Board of Directors
Approval date:	October 2011
Revision date:	July 2013 / October 2017 / September 2020

## **Policy**

The purpose of this policy is to ensure that West Neighbourhood House spends the funds entrusted to it in a cost-effective manner subject to the terms and conditions of donors, funders, and governments and the considerations set out in this Policy.

This will be accomplished by establishing procedures and standards for the sourcing and procurement of products and services in a cost-effective, transparent, efficient, equitable, fair and sustainable manner.

West Neighbourhood House may acquire goods and services cooperatively with other not-for-profit agencies/institutions where West Neighbourhood House can benefit from leveraged spending. Where appropriate, West Neighbourhood House will support and encourage these partnerships to utilize competitive bids or quotes for shared goods and services.

## **Applicability**

- All Staff
- West Neighbourhood House Board of Directors

## **General Principles**

1. All procurement shall be compliant with provincial, municipal and federal laws, trade agreements, funder requirements, all related House policies, procedures and guidelines.
2. No persons shall participate in procurement decisions if they have a conflict of interest. Conflicts of interest may arise when the person has a financial, family or any other beneficial interest in the vendor firm selected or considered for an award.
3. Purchases will not be fragmented or reduced to components to avoid the bid process.
4. All competitive quotes from vendors need to be for similar and/or same goods and services.
5. No staff is authorized to approve their own expenses or purchases.

## **General Procedures**

1. It is the responsibility of the requesting program/unit to confirm that the requested funds are consistent with the approved budget. Prior approval by email or cheque requisition by a Unit Director or Manager is required for any purchase over \$500.
2. All capital purchases requiring bids and office supply purchases will be coordinated centrally through the Operations Manager or designate.
3. The Operations Manager or designate(s) will ensure appropriate maintenance of an inventory of purchases and acquisitions.
4. The program receiving merchandise is responsible for promptly unpacking and inspecting its contents. Discrepancies, shortages and damages must be noted on the packing slip and reported promptly to the Purchaser and/or Coordinator.
5. Goods and services purchased with funds of West Neighbourhood House shall remain the property of West Neighbourhood House, subject to specific funding conditions.

For example, a funder who provides funding for capital items and intellectual property of consultants may retain control over those, usually for a limited period of time.

6. Procurement approvals and supporting documentation shall be retained by Finance staff for review and audit in accordance with West Neighbourhood House Records Retention Policy.
7. Seeking competitive quotes for ongoing contracts will be done every 5 years or more often unless there are exceptional circumstances noted in writing by the Executive Director for approval by the Board of Directors.

## **Purchases/Contracting Services**

1. All plans for purchases, including services, over \$500 up to \$7,500 must be approved in advance of purchase by the Unit Director.
2. The Unit Director or designate is responsible for verifying that the items ordered are within the budget and consistent with relevant guidelines. In addition, the Unit Director or designate must identify and clearly specify standards for the goods or services desired and seek competitive offers where possible to obtain the best possible quality at the best possible price.
3. Three written competitive quotes are required for any new purchases and/or new or renewing service over \$10,000. If three quotes are unattainable or if a bidding process is undesirable, a memo stating the reasons must be approved in advance of purchase by the Executive Director or designate.

4. Capital purchases or capital contracts over \$50,000 will be required to undergo a competitive bid process by the Operations Manager or designate unless there are exceptional circumstances in which case the Executive Director or designate must provide prior approval.

While cost-effectiveness is the most substantial criteria, weighting also will be given to suppliers who represent equity seeking groups, (i.e. racialized, Indigenous, people with disabilities, LGBTQ2s, and others) as well as local suppliers.

Notwithstanding the above, West Neighbourhood House may have to comply with bidding requirements of specific funders.

5. If the lowest bidder is not selected, written reasons must be submitted and approved in advance of purchase by the Executive Director or designate
6. The Purchaser or Operations Manager or designate will be responsible for ensuring that all conditions and specifications of a contract, bid, or order have been satisfactorily fulfilled and will be responsible for timely follow-up of these purchases.

**Approval to Spend Signing Authority**

The following approval to spend signing authority applies to all purchases regardless of any requirement for a cheque requisition. The limits below refer to the total amount, including applicable taxes. The limits below also reflect the minimum restrictions on purchasing but best practice is that staff consult with their supervisor about all purchases that are not routine. Authorizations are required via email or on the cheque requisition.

Up to \$500	Coordinators or designated staff are allowed to make budgeted purchases up to \$500 without prior authorization from Unit Director or Manager
Up to \$2,000	Managers are allowed to make budgeted purchases up to \$2,000 without prior authorization from Unit Director or Executive Director
Up to \$7,500	Unit Directors are allowed to make budgeted purchases up to \$7,500 without prior authorization from the Executive Director
Over \$7,500	Only the Executive Director is allowed to make budgeted purchases over \$7,500.

The Executive Director or designated Acting Executive Director is one of two signatories on all cheques except for payments to them or any payment that would create a real or perceived conflict of interest; in which case the Board President or designate may sign.

The other signing authorities for cheques is approved by the Board of Directors annually and typically includes the Board President, Treasurer, Secretary and two more Board members in addition to Unit Directors.