



Purchasing Policy and Procedures Manual

September 2019

1. INTRODUCTION AND BOARD MOTION

This document establishes policies and procedures to provide authority and guidelines for purchasing transactions of the Catfish Creek Conservation Authority

The impact of lowering the cost of purchased goods and services by a mere 5% to 10% through overall cost reductions and improved materials can substantially reduce or contain operational costs.

Our approach is to place the actual buying process in the hands of an individual in each of the user departments, who handles purchasing as part of the overall duties. Formal financial control is exercised through a purchase order system with the audit and payment of invoices handled by the Secretary-Treasurer or their designate.

It is not sufficient that goods and services merely be purchased. In today's environment of scarce financial resources, purchasing involves much more than simply processing orders. The purchasing function has a key role to play in reducing costs so that the pressure on operational cost will be lessened. Techniques to achieve this end will be described throughout this Policy and Procedure Manual.

MOTION # 80 / 2019

Moved by: Paul Buchner

Seconded by: Arthur Oslach

THAT the Full Authority approve the updated Purchasing Policy and Procedures Manual outlined in Report FA 35 / 2019 as amended; and further,

THAT staff provide a report in 6 months as to the policy effectiveness.

Date: August 8, 2019

2. PURCHASING PRINCIPLES

- a. Efficient/Effective Acquisition: Catfish Creek Conservation Authority will acquire the necessary quality and quantity of products and services, including professional and consulting services in an efficient and cost-effective manner.
- b. Open Market Purchasing: Acquisitions shall be undertaken using an open market procedure wherever practical.
- c. All Costs Considered: Evaluating proposals and quotations will be done in a manner which considers all costs including quality of the product/service, location of vendor, operational costs, and disposal, rather than a decision based solely on the lowest purchase price.
- d. Unsatisfactory Proposals: Proposals or quotations which do not meet the specifications, terms, or conditions may be rejected.

- e. Sustainability Ethic: Catfish Creek Conservation Authority will acquire necessary products and services with due regard for the preservation of the natural environment, incorporating recycled materials where applicable.
- f. Confidentiality: Where requested by persons responding to requests for proposals, confidentiality concerning the proposal or quotation will be maintained. Once a contract award is made, any report or documentation concerning such award shall become a matter of public record.
- g. Conflict of Interest
No purchases shall be made from any Member of the Authority or Employee of the Authority or their immediate family or from any other source that would result in a conflict of interest.
- h. Gifts
An employee or Member of the Authority is expressly prohibited from accepting, directly or indirectly, from any person, company or corporation to which any purchase or contract is, or might be awarded, any rebate, gift, money or anything of value whatsoever, except where given for the use and benefit of the Authority.
- i. Health & Safety: All contractors undertaking work for Catfish Creek Conservation Authority will be required to comply with applicable legislation including the Occupational Health & Safety Act and the requirements of the Workplace Safety and Insurance Board.
- j. Accountability: Staff authorized to undertake purchasing functions on behalf of the Catfish Creek Conservation Authority should be at all times cognizant of their responsibility to the Board of Directors, funding partners, and other members of staff.

3. PURCHASING POLICY/PROCEDURES

- a. The Secretary-Treasurer or their designate is authorized by the Catfish Creek Conservation Authority Board of Directors to approve, within budgetary limits, the purchase, sale or rental of products, materials and services required to carry out the necessary programs, projects and operations of Catfish Creek Conservation Authority subject to policies and procedures outlined in this document.
- b. Where Catfish Creek Conservation Authority is administering finances for a specific project in conjunction with, or on behalf of external agencies, the policies and procedures outlined in this document will be followed.
- c. Invoices must be provided by the staff person responsible for the program to the Financial Services Coordinator for any purchase. It is the responsibility of the staff person making a purchase to ensure that the funds are available and the expenditure is approved in the current year's budget. The staff person must also ensure that all necessary quotations and approvals required by the purchasing policies have been

obtained and that the products and/or services are received and are satisfactory. **The staff person making the purchase MUST write on the invoice which department and project the expense shall be coded to.** In the event of an electronic (e-mail) invoice the staff member shall provide to the Financial Services Coordinator.

- d. Facsimile Transmission (FAX), digital or other electronic transmission from which written copy can be obtained are acceptable for proposals and written quotations.

4. PROCUREMENT OF PRODUCTS AND SERVICES & AUTHORIZATION LIMITS

- a. Where it is estimated that the value for products and services, including professional or consulting services, required for a particular project will cost:
 - i. Less than \$500.00 and under, invoices are to be clearly marked as to goods purchased and prices, and the employee must sign same at the supplier's business. An employee is to obtain a copy of the invoice and sales receipt bearing the department and project name (see 3c above) and it is to be promptly given to the Financial Services Coordinator, after obtaining the signature of the department head on the sale invoice.
 - ii. More than \$500, less than \$5,000, and within the approved budget, the responsible program staff, with approval of the General Manager/Secretary-Treasurer or Financial Services Coordinator may obtain the product or service through direct purchase. A purchase order must be completed.
 - iii. More than \$5,000 but less than \$20,000, and within the approved budget, the product or service shall be acquired through a selection process (requests for proposals or direct quotations). The staff member responsible for the project must obtain at least three (3) proposals/quotations and document the rationale for selecting a given proposal. If three proposals/quotations are not obtained, the reasons must be documented as well. Approval of the General Manager/Secretary-Treasurer is required. Chairperson approval is required for capital purchases. A purchase order must be completed.
 - iv. More than \$20,000, the product or service shall be acquired through a selection process (requests for proposals or direct quotations). The staff member responsible for the project must obtain at least three (3) proposals/quotations and prepare a staff report for consideration of the Board of Directors. If three proposals/quotations are not obtained, the reasons must be documented in the report. The report must also document the rationale for selecting a given proposal. Approval of the Board of Directors is required for the selection of the successful proposal. A purchase order must be completed.

- b. For construction contracts exceeding \$50,000, a public tender process will be used. Approval of the Board of Directors is required for the selection of the successful bidder. A purchase order must be completed.
- c. Under special circumstances (i.e. time constraints), a contract may be awarded based on an e-mail poll of the Board of Directors. Board members, when sending their response, will be requested to “reply to all.” The results of the e-mail poll will form part of the public record. The decision must be ratified at the following Board meeting.
- d. Notwithstanding 4a and 4b above, purchase by negotiation may occur when any of the following conditions apply:
 - i. due to market conditions, products/services are in short supply;
 - ii. there is only one known source of the product or service;
 - iii. two or more identical low bids have been received;
 - iv. the lowest bid substantially exceeds the estimated cost of the product or service;
 - v. all bids received fail to meet the specifications, terms and conditions and it is impractical to issue another request for proposals;
 - vi. the extension of the existing contract would prove more cost effective or beneficial;
 - vii. similar work was completed by the supplier/consultant for the Authority in the past and/or the contract is an extension of the previous work completed;
 - viii. a single source is recommended because it is more cost effective or beneficial to Catfish Creek Conservation Authority.
- e. The General Manager/Secretary-Treasurer may approve additional expenditures on a contract, not to exceed 10% of the total cost, if a required task was not identified in the original approved proposal/quotation and the additional funding to cover the cost of the task is in the budget.