

2.12 Procurement

POLICY

Catulpa's financial administration is governed by the Ontario Broader Public Sector Accountability Act. This Act establishes requirements in the areas of compensation, expenses, perquisites, business documents and procurement, and is designed to improve accountability and transparency across the Broader Public Sector (BPS).

As such, Catulpa's 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.

Catulpa 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.

PROCEDURES

Catulpa 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 East Regional Office of the Ministry of Children, 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 interested parties. 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.

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 appointed by the Board are as follows, Executive Director, Manager of Finance, Board Chair, Treasurer, 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 requested 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 Manager of Finance in consultation with the Management Team and approved by the Board of Directors.
- *Commitment to Release Orders to Vendors*
All orders for goods and services are processed through the Manager 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 or other agency designate and then forwarded to the Manager of Finance's office.
- *Payment Approval for Goods and Services*
Financial signing authority rests with the Executive Director or delegated to specific Managers within the organization consistent with the Manager's accountability and that such expenses fall within the approved annual budget.

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 designated signing authority
 - a. All contracts, lease and partner agency agreement renewals or amendments

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- b. Offer letters to independent service contractors, offers of employment or employment contracts.
 - c. All contracts, leases, and partner agency agreements.
 - 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 \$1,000 are signed by the appropriate Manager and reviewed with the Executive Director.
3. Acceptance of bequests and endowments are signed by the Executive Director.
4. Bank loans, notes or short-term borrowing agreements are signed by the Executive Director and Board Chair.
5. Legal consultations: approval to consult with legal counsel occurs through discussion with the Executive Director.
6. Any approved contractors/consultants will provide documentation confirm appropriate coverage as required.
7. A formal agreement between contractor/consultant and the agency will be confirmed before any service contact proceeds.
8. Cheque processing and electronic transfer payments: every cheque processing and electronic transfer payment report is reviewed and signed by the Manager of Finance.
9. The following areas fall under the Procurement Limits:
 - a. All consultant agreements
 - b. Equipment purchases
 - c. Supply contracts
 - d. Cheque signing
 - e. Processing of electronic transfer payments
 - f.

Authority

All cheques will be signed by two designated signing authorities; any cheques over \$99,999 are signed by the Executive Director or Manager of Finance and Board signing authority.

Approval Authority Schedule

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

Goods, Non-Consulting Services and Construction

Purchase Amount (excl. 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 Services
\$0 up to but not including \$50	Petty cash	Petty Cash Custodian
\$50 up to but not including \$1,500	Procurement card (Credit Card)	Program Manager
\$50 up to but not including \$5,000	Purchase Request	Program Manager
\$5,000 up to but not including \$10,000	Purchase Request, Invitational or competitive procurement	Executive Director
\$10,000 up to but not including \$100,000	Invitational competitive procurement (minimum of three suppliers are invited to submit a bid)	Executive Director
\$100,000 or more	Open competitive process	Executive Director, Treasurer or Board Chair

Consulting Services and Construction

Total Procurement Value	Means of Procurement	Delegation of Financial Authority (DOFA) to approve
\$0 up to but not including \$100,000	Invitational or open competitive process	Executive Director, Treasurer or Board Chair

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Total Procurement Value	Means of Procurement	Delegation of Financial Authority (DOFA) to approve
\$100,000 or more	Open competitive process	Executive Director, Treasurer or Board Chair

Competitive Procurement Thresholds

Catulpa 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 can meet the requirements of procurement, Catulpa 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;
- 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.
2. Goods received are matched to packing slips.
3. Invoices are signed by appropriate Manager and forwarded to the Manager of Finance's office.
4. Requests for Payment are reviewed and approved by Manager of Finance prior to the cheques being issued.

Monitoring Report Requirements

1. Annual listing of contracts awarded over \$25,000, disclosing the supplier and the amount to be provided to the Audit & Finance 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 & Finance Committee with 30 days of fiscal year-end.
3. The Contractor Monitoring Form will be used to track and evaluate services rendered to ensure these comply with the established agreement.

INDICATORS

1. All components of Catulpa's procurement process followed the requirements of the Ontario Broader Public Sector Supply Chain Code of Ethics.
2. The annual listing of contracts over \$25, 000 will be provided to the Audit & Finance Committee within 30 days of the fiscal year-end.
3. The annual listing of approvals for purchases/contracts outside of the approved budge will be provided to the Audit & Finance Committee within 30 days of the fiscal year-end.
4. The Contracting Monitoring Form will be reviewed annually, or more frequently if further services are required.

Policies and Procedures

Next Review	June 2023
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Date	Action (Approval, Revision, Review)	Signature
February 7, 2023	Revision	<i>Karen Christwood</i>
January 2021	Revision	<i>Karen Christwood</i>
March 2021	Review	<i>Karen Christwood</i>
November 2021	Revision	<i>Karen Christwood</i>
October 2022	Revision	<i>Karen Christwood</i>