



**CORPORATE POLICY**

<b>TITLE: PURCHASING POLICY</b>	<b>SECTION: General Administration</b>
<b>SUBMITTED BY: Executive Director</b>	<b>EFFECTIVE DATE</b> October 1, 2011
<b>ENDORSED BY: Finance Committee</b>	<b>REVISION DATE</b> January 22, 2020
<b>APPROVED BY: Board of Directors</b>	<b>LAST REVIEW DATE</b> January 22, 2020
<b>THIS DOCUMENT SUPERCEDES ALL PREVIOUS SUBJECT POLICIES AND PROCEDURES</b>	

**For the Acquisition of Goods and Services**

**1. General Policy Objectives**

Participation House, Markham must maintain high legal, ethical, managerial, and professional standards in the management of the resources entrusted to it, as a government funded organization. We must ensure that goods and services are acquired so that Participation House, Markham (PHM):

- a. obtains value for money by incurring the lowest cost in the fulfillment of specified needs with appropriate levels of quality and service;
- b. uses a fair and open process when calling for, receiving, and evaluating quotations, requests for proposals and tenders;
- c. meets its legal and ethical obligations in the acquisition of goods and services by purchase or lease.

**2. Purchasing Principles**

Goods and services shall be acquired according to the following principles:

- a. Purchasing - Goods and services shall be acquired competitively from suppliers to meet specified needs and to achieve the greatest possible value for money expended.
- b. Participation House, Markham will not necessarily accept the lowest quote as the following criteria must be considered in the proposal review: customer service, previous business relationship with the company, community location of the company.
- c. Accountability - Approvals shall be obtained and documentation shall be retained for review and auditing.

### 3. **Purchasing authority and process**

Goods and services shall be acquired according to the following principles:

#### **Resident Trust Fund**

Purchase orders are not required for resident trust fund purchases. All purchases for residents in the amount \$50.00 or more requires completion of the [Resident Trust Fund Expense Authorization Form](#). The purchase of required resident medication does not require completion of the Expense Authorization Form. Authorization for purchases is outlined on the form attached.

#### **Operating Fund, Building Fund and all other funds**

All purchases require a pre-approved purchase order or a written agreement, except for purchases below \$250.00, or in rare situations where the Executive Director approves an exemption.

When the total value of the purchase is \$249.99 or less, the issuance of a purchase order is optional. This type of purchase should be made by use of a charge card or by approving the supplier's invoice, or for small purchases, by cash.

When the total value of the purchase is \$5,000 to \$25,000 inclusive, at least two quotations shall be obtained from approved suppliers. It is preferable that written quotations be solicited, however if oral quotations are accepted, written notes should be kept on file.

When the total value of the purchase is \$25,001 or more, three written quotations shall be sought in the form of a Request for Proposal or Tender Process. The Director of Finance along with Executive Director or the appropriate board committee (if required) shall review the pricing and shall make the decision using sound business principles identified in section 2 above.

#### **Purchase Order Approval Levels – All Funds except Resident Trust Fund**

All purchase orders required will be approved and authorized by the Senior Manager of the division for all regular purchases and services that are included in the annual budget. Unusual, extraordinary expenses, capital purchases and any purchase over \$5000 shall also be approved and authorized by the Executive Director or designate.

#### 4. **Scope and Policy Application**

This policy governs the acquisition of goods and services, by purchase or lease, with Participation House funds from all sources including the operating, building, capital and all other funds held in trust or at its disposal. The Finance Department has overall responsibility for administering this policy under the general direction of the Executive Director.

The interpretation of this policy is the responsibility of the Director of Finance who will provide the administrative direction to carry out the policy by stipulating the procedures and controls necessary to ensure that expenditures are made according to sound business practices with appropriate accountability.

#### 5. **Purchasing Principles Consulting and Professional Services**

For all consultants and professional services:

The Executive Director may engage consulting or professional services without raising a purchase order. Terms of reference must be established in writing for all engagements. These services include, but are not necessarily limited to, audit, legal, banking and investment management services.

#### 6. **Review Process**

The Director of Finance is responsible for conducting reviews of contracted services. Such ongoing services will be subject to review approximately every two years. These reviews will be conducted on a rotational basis.

A review will not necessarily lead to a tender call if the Executive Director or Director of Finance deems it advisable to continue to engage the same supplier of the service. If it is decided to conduct a tender call, this does not necessarily exclude the existing supplier from consideration. In fact, a previous relationship with a supplier may be a very positive factor for continuing with that supplier especially with regard to a history of very good performance. Factors to be considered in conducting reviews and evaluating tenders when called will include price, service, quality, personnel deployed and track record.

#### 7. **Conflict of Interest**

Participation House, Markham employees are governed by policies on conflict of interest which prohibit the acceptance of gifts in any form from suppliers doing business with or soliciting business from Participation House, Markham .

**PARTICIPATION HOUSE  
RESIDENT TRUST FUND  
EXPENSE AUTHORIZATION FORM**

This form must be used for expenditures (goods or services) from the resident trust fund which exceed \$49.99, with the exception of required medication.

NAME OF RESIDENT: \_\_\_\_\_

ITEMS/SERVICES TO BE PURCHASED: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

ESTIMATED EXPENDITURE:     \$ \_\_\_\_\_

**AUTHORIZATION**

The resident has the funds to cover the estimated expenditure, and it will not put the residents account into hardship. Purchase of goods/services requested and authorized by:

\_\_\_\_\_  
Senior Support Staff/Day Services Manager

\_\_\_\_\_

\_\_\_\_\_  
Resident Services/Community Program Manager

\_\_\_\_\_  
Date

**OR**

\_\_\_\_\_  
Signature: Director of Finance

\_\_\_\_\_  
Date

If the estimated expenditure exceeds \$500.00, it must **also** be approved by the Executive Director as the Executive Director is deemed “Administrator of the Resident Trust Fund”.

Exceptions to this are dental services which are authorized by the Resident Services Manager.

\_\_\_\_\_  
Signature: Executive Director

\_\_\_\_\_  
Date

The Executive Director may designate a Manager to sign on her behalf in her absence.