

PROCEDURE	
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Approved By: Financial Controller and BOD	Approval Date: Revised: January 11, 2024
Next Review Date: January 11, 2027	

1.0 Purpose

Hands TheFamilyHelpNetwork.ca (Hands) has an obligation and commitment to ensure that goods and services, including but not limited to supplies, equipment, professional services, and information technology are procured through a fair and transparent process.
This procedure specifies the procurement process requirements and authorization.

2.0 Scope

Procedure applies to: (Check all appropriate boxes for broad application)				
<u>Employees</u> x	<u>Volunteers</u>	<u>Board</u> x	<u>Services (list)</u>	<u>Other (i.e., clients, visitors, contractors)</u>

3.0 Responsibility

- 3.1 Employees** will follow the requirements for procurement as outlined by this procedure.
- 3.2 Supervisors/Managers/Directors/Board of Directors** will implement the appropriate procurement method as outlined below and provide approval as required.
- 3.3 Financial Services** will oversee the procurement process and maintain appropriate files.

4.0 Definitions

Procurement means acquisition by any means, including by purchase, rental, lease or conditional sale, of goods or services.

A purchase order is a written authorization from a buyer to acquire goods or services. The document authorizes a supplier to deliver to the buyer at the price, quality level, delivery date, and certain other terms specified in the agreement.



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Request for Proposal (RFP) means a document used to request suppliers to supply solutions for the delivery of goods or services, or to provide alternative options or solutions. It is a process that uses predefined evaluation criteria in which price is not the only factor.

Invitational Competitive Procurement means any form of requesting qualified suppliers to submit a written proposal in response to the defined requirements outlined by an individual/organization.

Requests for Pre-Qualification means any form of requesting qualified suppliers to submit a written proposal to pre-qualify them for specific types of future work. Relevant RFP's will be directed to this short-list of suppliers as the opportunities are identified.

5.0 Procedure

5.1 Approval Levels

Prior to securing goods or services, appropriate approvals are required dependent on the cost. In addition, to ensure effectiveness and efficiency, some types of procurement are coordinated by a specific department or function. Table 1 below defines approval levels for procurement.

Table 1

APPROVAL AUTHORITY	RECOMMENDED VALUE
Manager	Up to \$2,000
Senior Manager	Up to \$5,000
Director	Up to \$35,000
Chief Executive Officer (CEO)	Up to \$250,000
Board of Directors	Over \$250,000

5.2 Purchase of Service Agreements

All purchase of service (POS) contracts is approved and signed by the Chief Executive Officer (CEO).

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5.3 Procurement Process

5.3.1 Hands will conduct its procurement processes for goods and services under a specified threshold amount in compliance with Building Ontario Businesses Initiative Act, 2022 (BOBIA) when in force, in addition to the Broader Public Sector (BPS) Procurement Directive (2010) as effective January 1, 2024. To ensure procurements are fair, equitable and transparent, the procurement process varies depending on the cost and nature of the goods or services being procured. Hands will not discriminate or exercise preferential treatment in awarding a contract to a supplier as a result of a competitive procurement process. The competitive procurement process requirements for goods, non-consulting and consulting services and construction are detailed in Table 2, below.

Table 2

Goods, Non-Consulting Services and Construction		
Procurement Value	Means of Procurement	Recommended/Required
Up to \$50	Petty Cash	Recommended
\$50 to \$10,000	Purchase Order/Contract	Required
\$10,000 up to but not including \$121,200	Invitational competitive procurement, minimum three suppliers	Required
\$121,200 or more	Open competitive process	Required
Consulting Services		
Procurement Value	Means of Procurement	Recommended/Required
\$0 up to but not including \$121,200	Invitational or open competitive process	Required
\$121,200 or more	Open competitive process	Required

The Agency will not reduce the overall value of procurement (e.g., dividing a single procurement into multiple procurements) in order to circumvent competitive procurement thresholds.

5.3.2 Procurement related to technology

Procurement related to Technology will be coordinated through the IT Department and approved as required according to Table 1. The IT Department is also responsible for leasing or long-term rental of equipment.

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5.3.3 Procurement related to Accommodation

The Senior Manager of Human Resources is responsible for coordinating procurement related to employee requests for special equipment or furnishings necessary for accommodation. The employee makes the request in writing including: a description of the equipment or furnishing needed, why it is needed, and, if possible, the approximate cost and a suitable supplier. The direct supervisor will sign the completed requisition before it is forwarded to the HR department for review and processing. Depending on the cost and/or nature of the equipment or furnishing, certification from the attending physician may be required. Senior Management may also be consulted in this process.

5.3.4 Office Supplies

Office supply order requests are processed through an assigned administrative staff in each location and approved by the Financial Controller.

5.3.5 Purchase Orders

Purchase orders are the primary means of procurement. Purchase orders (P.O.s) must be properly completed by the requestor and authorized at the appropriate level before purchasing/ordering can occur.

The requestor completes the P.O. form and submits it to the Finance Department for filing.

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5.3.6 Credit Cards

Agency credit cards are exclusively for purchases made for Hands' business and will not be used for personal purchases.

Each agency vehicle has a corresponding credit card to be used for purchases of fuel and other related vehicle expenses – reference FI-A-20 Expense Claims.

Credit cards are maintained in a secure location, signed out and used only with prior approval. All purchase receipts must be returned when the credit card is signed back in.

Designated corporate credit card holders are responsible for completing monthly expense claim with all purchase receipts attached corresponding with the individual monthly credit card statement. This must be submitted to finance in advance of the payment due date in compliance with Policy FI-A-020 Expense Claims

Financial services will pay with credit card invoices by the due date to avoid incurring interest charges.

5.3.7 Credit Accounts

In situations where frequent purchases are made from a particular supplier, business accounts may be established by the Financial Controller. Details of the account will be arranged with the supplier and will include spending limits. Designated programs will be notified of the details of the business account.

5.3.8 Invitational Competitive Procurement

A request for proposal (RFP) is developed and sent to three potential suppliers, where possible, with a defined response date. Responses received after the closing date will not be considered. Responses will be evaluated based on predefined criteria by a Director or evaluation team.

5.3.9 Open Competitive Procurement

A request for proposal is developed and posted for open competition. The RFP will be posted electronically on tender sites such as Bonfire or MERX which are readily accessible to potential bidders. The RFP will include a defined response date. Responses received after the closing date will not be considered. Responses will be evaluated based on predefined criteria by a Director or evaluation team.

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5.3.10 Open Request for Pre-Qualification

Open Requests for Pre-Qualification follow the process described in 5.3.8. Successful suppliers will be shortlisted for future relevant RFPs.

5.4 Receipt of Goods or Completion of Service

Once received, orders are checked against packing slips and documented by initialing confirmation of contents received. Completion of service must be confirmed and to the expectations as documented in the purchase order and/or contract. Once satisfied, the requestor will sign the invoice.

Packing slips with confirmations and/or discrepancies will be forwarded to the Finance department.

5.5 Payment

Financial Services will match proof of receipt of goods with supplier invoices prior to processing payment.

Likewise, invoices for services received are verified and documented that the service was received to satisfaction prior to processing payment.

6.0 Linkages (cross reference to Policies, other procedures, legislation, regulations) FI-A-020 Expense Claims

7.0 Policy Change History

Revision Number	Date of Approval	Description of Change
N/A	BOD REP, motion passed on BOD meeting	<ul style="list-style-type: none">• 5.3.1 Additional language added to reflect additional legislative requirements coming under BOBIA under Procurement Process in addition to BPS Procurement requirements.• Additional language to stipulate no reduction of the overall value of procurement into multiple procurements.• Table 2 has been updated to align with Broader Public Sector Directive effective January 1, 2024• 5.3.6 Credit Cards language updated to account for change to corporate credit card system for agency with additional cardholders beyond centrally held card for agency level purchasing linked to FI-A-020 Expense claims.• 5.3.9 Open Competitive Procurement updated to add Bonfire in addition to Merx as transition to this mechanism for posting opportunities.• Minor grammatical errors have been cleaned up.