

	PROCEDURE TITLE	PURCHASES OF GOODS AND SERVICES
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1. SCOPE

1.1. This Statement of Procedure applies to all management and employees.

2. RESPONSIBILITIES

2.1. Each Program Manager within the Agency will identify authorized goods or services to be purchased during the year at the time of budget preparation. A needs-analysis shall be conducted based on outcomes.

2.2. Each Program Manager will make purchases within the guidelines of the Operating Budget and service needs.

3. PROCEDURES

3.1. Purchasing authority

3.1.1. Foster parents, direct service workers, purchasing clerk or managers, will initiate purchasing of non-capital goods and services. All purchases must be properly authorized as follows:

3.1.1.1. The Unit Manager will approve the staff expenditures such as mileage, meals and incidentals as well as reimbursements for client needs. Where the amount exceeds the Unit Manager's signing authority, the appropriate Director or Assistant Director must approve the expenditure.

3.1.1.2. The appropriate worker and their manager will approve payments in relation to children in care. Purchases for children should be approved prior to the expenditure being made. This will ensure that the worker is aware of all expenditures for a particular child.

3.1.1.3. Purchases for children in care must be in accordance with the spending guidelines, as outlined in the *Foster Care* manual.

3.1.1.4. Any variations from these guidelines require approval of the Director of Child Welfare or Assistant Director.

3.1.1.5. The person approving the Purchase Order should satisfy themselves that there is no conflict of interest in the transaction. If an employee, who is involved in a purchase transaction, receives a gift, service or entertainment from an

Agency supplier of goods or services, that employee must disclose the details to their superior who will decide on the course of action.

- 3.1.2 Approved Purchase Orders will be the authorization document for purchasing at the Agency. Appropriate authorization is required on the Purchase Order prior to a purchase of goods or services being made. The Agency has approved the following purchase limits:
 - 3.1.1.1 Non-capital purchases of less than one thousand dollars (\$1,000) require the authority of the appropriate Unit Manager. Non-capital purchases between one-thousand and one dollars (\$1,001) and five thousand dollars (\$5,000) require the authority of the appropriate Assistant Director;
 - 3.1.1.2 All non-capital purchases between five thousand and one dollars (\$5,001) and twenty five thousand dollars (\$25,000), require authority of the appropriate Program Director;
 - 3.1.1.3 All non-capital purchases greater than twenty five thousand and one dollars (\$25,001), require the authority of the Executive Director.
 - 3.1.1.4 All capital expenditures regardless of cost will require authority of the appropriate Program Director;
 - 3.1.1.5 The Agency will not artificially subdivide projects, procurements or contracts to avoid the the limits set out above. Prior to approving certain purchases, the unit budget may have to be reviewed for appropriateness of the purchase.

3.2 Purchasing procedures

- 3.2.1 Purchase Orders will be submitted to the Purchasing Department with the appropriate approvals and signature. To maintain effective purchasing control measures within the Agency, the Purchasing Clerk will make all purchases of goods for use within the Agency, with the exception of 5.4 below.
- 3.2.2 The Purchase Orders must be completed in full by identifying the following
 - 3.2.2.1 Supplier, account or purpose (account to be charged) must also be written on top portion;
 - 3.2.2.2 Below the top section, the full name and address of the supplier for whom the Purchase Order is valid;
 - 3.2.2.3 Client number, program, and date;
 - 3.2.2.4 The dollar limit (numeric and written out);
 - 3.2.2.5 Specific quantity and description;
 - 3.2.2.6 “NO CHANGE OR CASH VALUE. NO MAGAZINES OR TOBACCO” must be spelled out on all purchase orders;
 - 3.2.2.7 Expiry date of the purchase order;
 - 3.2.2.8 Signature of the Unit Manager and/or Director approving the purchase.
 - 3.2.2.9 Name of the shopper for verification purposes by the vendor

- 3.2.3 All authorized Purchase Orders will be processed within five (5) working days from date of receipt.
- 3.2.4 The Agency will use and maintain 2 separate types of Purchase Orders. Operational Purchase Orders will be used by each of the Program Managers to purchase all items of a non-capital nature. Capital Purchase Orders, will be maintained by the Property and Purchasing Department and will be used for all Capital Purchases (see procedures for Capital Purchasing below). The Capital Purchase Orders will be a different colour and number series from the Operational Purchase Orders to ensure all capital items are entered into the Agency capital asset inventory system when received.
- 3.2.5 A Purchase Order and number must accompany all documentation associated with the goods or services. For each purchase, once an order has been placed, and delivered, the Purchasing Clerk will submit the Purchase Order and Packing Slip to the Finance Department, the Purchase Order and packing slip will be matched with the appropriate invoice sent by the supplier.
- 3.2.6 The Purchase orders must be submitted to the Purchasing department, and the Purchasing Clerk will follow through with the purchasing and inventory process.
- 3.2.7 Where goods are delivered, the packing slips must be reviewed and signed to verify that the goods ordered are exactly what is received and in an acceptable condition. If the goods are not acceptable, then a notation should be made on the packing slip and the supplier must be contacted immediately.
- 3.2.8 The Unit Manager will then submit the documentation to Finance for processing. Documentation will include the associated Purchase Order, packing slip and invoice.
- 3.2.9 Bus, bowling and Canada Games Complex passes will be purchased and maintained in Central Stores by the Purchasing Clerk. The Worker will complete the Pass Log and the Log must be completed in full identifying the associated client. They will replenish their passes from Central Stores as required. To replenish the passes, the Manager must provide proof of distribution of the previous passes by using a "Pass Log Book". The distribution of passes will be forwarded to Finance on a monthly basis to so that the appropriate department can be charged.
- 3.2.10 Client consumables i.e., (Diapers, clothing, food) will be purchased by the appropriate department using the consumables. Proper manager authorization is still required for these purchases.

3.2.11 The Agency will add the following wording to all contracts and purchase orders with service providers who may have their employees working on Dilico premises:

“Dilico reserves the right to refuse entry to an employee of a contractor to all Dilico sites if it is determined by Dilico that the employee has an open file in Child Welfare or has received Child Welfare Protection Services”

3.3 Office supplies

3.3.1 In order to minimize the time spent obtaining estimates, the Purchasing Clerk will minimize the number of supplies orders to once per month. Supplies will be secured in Central Storage and distributed utilizing the requisition process for all goods required.

3.3.2 Standard Office Supplies - A standard inventory of office supplies will be maintained in Central Stores to maintain sufficient supply support within all departments, the supplies will be distributed and replenished as required.

3.3.3 Non-Standard Office Supplies - Requests for office supplies that are not considered standard supplies will be brought to the attention of the Program Director for authorization. The approved Requisition will be forwarded to the Purchasing Clerk who will purchase the supplies.

3.4 Capital expenditures

3.4.1 Capital expenditures include:

3.4.1.1 Building improvements, new construction, vehicle purchases.

3.4.1.2 Electronics and communications equipment, audio visual equipment.

3.4.1.3 Office furniture and equipment. The Office Manager will maintain a standard ‘set-up’ for all offices; the set-up will consist of furniture, equipment and supplies.

3.4.1.4 Residential furnishings and appliances. Foster parent and agency operated homes capital asset purchases and inventories are maintained by the Property Officer and tracked by resource number.

3.4.1.5 Leased assets – i.e., Computers, telephone systems.

3.4.1.6 Leased vehicles.

3.4.1.7 Leased property – office and residential - Where residential lease agreements are required, and they will be reviewed in coordination with the Residential Unit Manager. These lease agreements will be reviewed by the Office Manager and approved by the Director of Finance and Administration.

3.4.2 A yearly physical inventory will be completed within Central Stores and within each Unit. The Property Officer will forward a data base inventory printout to all Unit Managers for review. Each Unit Manager will be responsible for coordinating and reviewing the inventories on hand versus the inventories on the Data Base printout.

3.5 Corporate service agreements

- 3.5.1 The Agency will also enter into agreements for service. These agreements will cover services including legal, audit, banking, computer support, communication system (telephones), alarm monitoring, mechanical system maintenance, fire safety equipment inspection, and elevator maintenance.
- 3.5.2 These agreements will be reviewed and approved by the Executive Director, and the Director of Finance and Administration.
- 3.5.3 Contracts for cleaning, snow removal, alarm monitoring, fire safety equipment inspection, mechanical system maintenance, and elevator maintenance will not exceed one (1) year, and will be reassessed annually.
- 3.5.4 Each year these contracts will be open for tender, where applicable, with the choice being made based on price and quality of the service to be provided.
- 3.5.5 The contracts will be approved and authorized by the Executive Director, and the Director of Finance and Administration.
- 3.5.6 All contracts for legal services, including client related services will be reviewed annually Senior Management.
- 3.5.7 Other legal services such as corporate and labour will be billed on a per usage basis. The Director of Finance and Administration will also review and approve invoices for payment.
- 3.5.8 Audit services and banking services will be open for tender on an as needed basis. The Director of Finance and Administration will approve all fees. The Director of Finance and Administration will negotiate services fees on an annual basis.
- 3.5.9 The Agency will purchase employee benefit packages. These purchases will be reviewed and authorized by the Executive Director, Director of Finance and Administration and the Director of Human Resources.
- 3.5.10 The Agency will purchase insurance coverage. The Agency will maintain liability coverage consistent with the levels of contractual risk. These purchases will be reviewed and authorized by the Executive Director and Director of Finance and Administration.

3.6 Estimates and tenders - goods

- 3.6.1 The Purchasing Clerk will obtain three estimates for all purchases made in excess of five thousand dollars (\$5,000.) and up to twenty five thousand dollars (\$25,000). The lowest or any quoted price will not necessarily be accepted. .
- 3.6.2 For goods having an estimated value in excess of twenty five thousand dollars (\$25,000), formal tenders will be invited using an “open call” for competitive bids from vendors. All requests for tenders are subject to review and approval by Senior Management prior to issue. The Agency reserves the right to award the contract in

its best interests. Where only one (1) vendor is available, no competitive process is required.

3.7 Estimates and tenders – services and consulting services

3.7.1 Three estimates will be obtained for all purchase of services and consulting services made in excess of twenty five thousand dollars (\$25,000) and less than one hundred thousand dollars (\$100,000).

3.7.2 For services and consulting services having an estimated value in excess of one hundred thousand dollars (\$100,000), formal tenders will be invited from all known suppliers appropriate to the required service. All requests for tenders are subject to review and approval by Senior Management prior to issue. The lowest or any tender will not necessarily be accepted. The Agency reserves the right to award the contract in its best interests. Where only one (1) vendor is available, no competitive process is required.

3.8 Document retention

3.8.1 The Agency must retain, for a period of seven years after the date of all purchase contracts, all documentation related to that contract.