



Personnel and Finance Committee Agenda

October 4, 2018

KCCA Admin Centre

11:30 a.m.

Introductions and Declarations of Pecuniary Interest

Audio/Video Recording Notice

“Board members, staff, guests and members of the public are reminded that the Full Authority Board/Committee meeting is being recorded, and will be posted to the Authority’s web site along with the official written minutes. As such, comments and opinions expressed may be published and any comments expressed by individual Board members, guests and the general public are their own, and do not, represent the opinions or comments of the Full Authority and/or the KCCA Board of Directors.

The recorded video of the Full Authority meeting is not considered the official record of that meeting. The official record of the Full Authority meeting shall consist solely of the Minutes approved by the Full Authority.”

Matters Arising

- a) Proposed Purchasing Policy 2
- b) 2019 Budget Considerations40

In-Camera Meeting

- a) Personnel Matter – Identifiable Persons (2019 Salaries)
- b) Personnel Matter – Identifiable Persons (GM Performance Appraisal)

TO: Personnel and Finance Committee
FROM: Elizabeth VanHooren
Date: October 4, 2018
Subject: Purchasing Policy and Procedures Update
Recommendation: For discussion.



PURPOSE:

To facilitate discussion of a first draft review of an updated Purchasing Policy and Procedures for the Authority.

SUMMARY:

- The proposed purchasing policy brings KCCA's Purchasing Policy and Procedures in line with current best management practices.
- The proposed Purchasing Policy and Procedures provides for clear accountabilities and procedures according to various payment types (petty cash, credit card, business expense claim forms) as well as value of expenditure thresholds.
- New to the proposed policy are guidelines relative to vendor of record, definitions and more detailed procedures for RFP/Tenders including an evaluation process and a table outlining appropriate actions for irregularities.
- Members are asked to provide feedback on the policy before presentation to the Full Authority at the October 17, 2018 meeting.
- Attached are the proposed Purchasing Policy and Procedures and the existing Purchasing Policy.

BACKGROUND:

Staff have reviewed and compared a variety of different Purchasing Policies from varying Conservation Authorities and municipalities. Staff determined that a complete rewrite of the policy was required to provide for a more user friendly and comprehensive document. The chart below details each section of the proposed draft policy highlighting proposed changes, additions or clarifications.

Section	Summary/Change or Addition
Introduction Purchasing Objectives MFIPPA	Outlines the objectives of the purchasing policy and that all goods and services will be acquired in accordance with applicable legislation and regulation.
Purchasing Methods	<p>This section provides for guidelines for each form of payment including: Petty Cash, Corporate Credit Card, Business Expenses and Accounts Payable.</p> <p>The Authority currently has one credit card which is used only for purchases that cannot be achieved by another means and must be signed out from the General Manager.</p> <p>The policy proposes to assign a credit card to the Dalewood and Lake Whittaker Conservation Area Coordinators during the operating season (May 1 – September 30). These positions work on weekends/evenings when access to the head office is inconvenient. In addition, some local suppliers have introduced policies that do not allow traditional charge accounts. Instead, local box stores are encouraging organizations to assign each individual staff member a store credit card. It is unreasonable and difficult to control the assignment of store credit cards to each individual staff members.</p>
Purchasing Authorities	Limits are assigned as follows: Purchases under \$1,000; Purchases from \$1,001 - \$10,000; Purchases from \$10,001 - \$50,000; Purchases from \$50,001 - \$100,000; Purchases over \$100,000 with each assigned separate accountabilities and procedures. Currently, purchases up to \$10,000 that were clearly outlined in the budget do not require Full Authority approval. This threshold is maintained in the proposed policy except that 2 signatories may approve a purchase with a value between \$10,001 and \$50,000 if the product or service can be accommodated within the approved departmental budget, is accounted for in an approved funding grant, and/or was approved as part of the capital budget. The new policy further stipulates that all purchases of \$75,000 or over require a Public Tender or Request for Proposal Process.
Direct Negotiations	Guidelines for direct negotiation are not included in the existing policy. Under the new policy, direct negotiation is defined as communicating with a vendor for the purpose of obtaining identified goods or services under terms and conditions agreeable to KCCA, according to the procedure. Direct negotiation can occur under any of the thresholds provided it is not being used to avoid issuing or reissuing a failed bid. The section provides for circumstances where it can be used including: an emergency as defined by the policy; extension/renewal of a contract approved by the Board; only market supplier or in the instance of a unique good or service.
Purchasing Administration	This section provides for general guidance on how to process invoices related to goods purchased.

<p>Purchasing Mechanisms</p>	<p><u>Emergency Purchases</u> This section provides guidance on specific special circumstances including: Emergency Purchases; Confidential Service; Specialized Knowledge; Cooperative Purchases and Vendor of Record. The current policy provides that the GM may purchase a good or service in an emergency situation provided it is approved first by the Chair or Vice Chair. The new policy provides that an emergency situation may be identified by the GM, Director of Operations or the Health and Safety Representative and also provides some guidance as to what would constitute an emergency.</p> <p><u>Confidential Services</u> Confidential Services are defined as professional confidential services (audit or legal services). To engage such services requires the approval of the signing authorities.</p> <p><u>Specialized Knowledge</u> Any buyer recommendation for Specialized Knowledge, Research or Products must be supported by rationale and approved by the Board of Directors.</p> <p><u>Cooperative Purchases</u> KCCA will include provisions, where practical, to permit other levels of government or public agencies to share goods or services.</p> <p><u>Vendor of Record</u> KCCA's existing purchasing policy speaks to routine purchases and that staff may use previous vendors who have performed similar work for KCCA in the past and further, that annual quotations may be used in order to eliminate getting three quotes every time services are needed. In the past this clause has been applied to such services as garbage, septic or snow removal. The same idea is applied but with much greater clarity in the Vendor of Record section.</p>
<p>Purchases From Employees</p>	<p>Sets out the conditions where a purchase may be made from an employee. Such purchases must be approved by the GM or the Director of Operations. Such purchases cannot undermine the competitive process; conflict with the staff member's regular duties or contract.</p>
<p>Purchases By Employees</p>	<p>Items for personal use cannot be purchased through KCCA unless specific authorization is obtained from the General Manager.</p>
<p>Purchasing Limits/Buyers</p>	<p>Sets out the approval limits for each staff member.</p>
<p>Public Tender and Request for Proposal Procedures</p>	<p>A public tender or request for proposal is required for all purchases of \$75,000 or more. The tender and request for proposal processes are now clearly outlined.</p>
<p>Bid/Bond Security</p>	<p>Based on the nature of the good or service a bid or security bond may be deemed beneficial. Performance Bond and Labour and Materials Bond are required for all construction projects exceeding \$100,000.</p>

Vendor Performance	KCCA shall evaluate vendor performance as part of the life-cycle of all contracts. Where performance has been deemed unacceptable a vendor may be excluded for a period of up to 5 years.
Complaints	Complaints should first be directed to the General Manager and if unresolved or unsatisfied the vendor or unsuccessful bidder may seek a delegation with the Board of Directors.
Evaluation Process Guidelines	This process is intended to be a guideline. It provides guidance for staff in the evaluation of bids either through a Request for Proposal or Tender Process. It provides for the composition of the Evaluation Committee as well as a list of irregularities that might be identified and the appropriate course of action.
Definitions	A comprehensive list of definitions is included.

Recommendation: For discussion.

Purchasing Policy and Procedures

1. Introduction

Kettle Creek Conservation Authority (KCCA) is committed to purchasing practices that result in the acquisition of goods and services in a manner that respects public funds and achieves value for dollar aligned with the purchasing principles of KCCA.

Authorized Buyers shall mean the General Manager/Secretary Treasurer or Director of Operations, and their designates as described in this policy.

Authorized Buyers shall procure the required quality and quantity of goods and services at the lowest ultimate cost to KCCA, over the life of the product or service. This ultimate cost to KCCA will be estimated by considering all factors including, but not limited to price, quality, service, terms and warranties, within the financial controls outlined in this policy. KCCA reserves the right to refuse to enter into any purchase contracts with vendors that have commenced litigation or other actions against KCCA.

Authorized Signing Officers shall mean those persons designated to have signing approval under the Authority's Administrative By-Law.

2. Purchasing Objectives

KCCA will consider purchases that support positive environmental outcomes, mitigate the impacts of climate change and contribute to environmental conservation.

Purchasing considerations may include practices, products or services that promote: reduction of Green House Gases (GHG), energy efficiency, recycling or reduction in waste, water quality and quantity, avoidance of toxins, reduction in chemicals, biodiversity, environmental offsets, cap and trade along with the health and wellness of our community.

The following objectives shall guide the interpretation and application of the policy:

- To promote transparent purchasing processes;
- To ensure competitive and standardized bidding practices;
- To support the most efficient and effective use of public funds;
- To consider a range of criteria in the acquisition of goods and services which may not always result in the lowest bid price being chosen;
- To obtain goods and services in a timely and efficient manner;
- To demonstrate that KCCA is an organization that has a goal of environmental sustainability and that accordingly we conduct our business in a manner that respects the natural environment;
- To acquire all goods and services in accordance with applicable legislations and regulation (Examples: Accessibility for Ontarians with Disabilities Act – AODA, Municipal Freedom of Information and Protection of Privacy Act – MFIPPA);
- To partner with other public agencies where practical for goods and services;
- To require vendors to follow health and safety requirements in the workplace; and

Purchasing Policy and Procedures

- To conduct business with vendors that share KCCA's values where practical.

3. MFIPPA

Purchasing activities are subject to application of the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA). The information collected as part of the purchasing process is done under the authority of MFIPPA. The information collected will only be used for the stated purpose or as otherwise permitted under MFIPPA.

4. Purchasing Methods

4.1 Petty Cash

Goods or services \$50 or under before tax, purchased by an employee or Agent of KCCA, for an approved corporate purpose may be reimbursed from petty cash. The Administrative Assistant/ or a position assigned by the General Manager is the petty cash custodian. The original sales invoice, coded and signed by the approved buyer must be submitted to the Petty Cash Custodian for reimbursement. Petty cash is only to be used when KCCA does not have a charge account with the supplier.

4.2 Corporate Credit Card

A single corporate credit card is held by the General Manager/Secretary Treasurer. Employees wishing to use the credit card must advise the General Manager of the requested purchase detailing the expense and reason for the credit card purchase. Upon approval by the General Manager/Secretary Treasurer the credit card is signed out to the requesting employee for a time period reasonable enough to make the request purchase.

The employee must document the purchase in the Credit Card Purchase Order book. A copy of the purchase order, together with the original receipt is submitted to the Administrative Assistant for processing. The receipt and the purchase order should be coded to the appropriate department and signed by the employee. The Credit Card Purchase Order book and the credit card is then returned to the General Manager/Secretary Treasurer.

A corporate credit card may be assigned by the General Manager to the Dalewood or Lake Whittaker Coordinator during the campground operating season (May 1 – September 30). All purchases must be documented in an assigned Credit Card Purchase Order book. On a weekly basis the Dalewood or Lake Whittaker Coordinator will present the order book to the Director of Operations for review. The original receipt and purchase order shall be coded to the appropriate department signed by the coordinator and the Director of Operation. On a weekly basis, a copy of the purchase order and the original receipt are submitted to the Administrative Assistant for processing.

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Charges for items where the receipt is misplaced or for which an authorized purchase order was not received will be the responsibility of the employee who has the card signed out at the time of purchase.

All purchases using the Corporate Credit Card must first meet the purchase order and controls outlined in this policy.

4.3 Business Expense Claims

Cash/debit/personal credit card purchases shall be kept to a minimum and shall be restricted to items of program responsibility or items approved by the General Manager/Secretary Treasurer, Director of Operations, permanent staff or staff with purchasing privileges with due regard for budgetary responsibility.

Receipts are to be retained, clearly marked with the supplier name, purpose of purchase, and buyer signature, and are to be forwarded to the General Manager/Secretary Treasurer on an Expense Report Form on a monthly basis (attached).

4.4 Accounts Payable

Purchases may be made on account with suppliers with whom KCCA has an approved account. Purchases must be made in accordance with this policy. Invoices are to be submitted signed by the buyer and coded to the correct departmental account in a timely fashion to ensure no penalties or overdue charges are incurred.

5. Purchasing Authorities

The following Purchasing Authorities or limits are established to reflect accountabilities and procedures appropriate to the value of the expenditure, this approach delegates responsibility within defined categories in an effort to balance financial controls while maintaining process efficiencies.

Unless otherwise stated all purchasing authorities set out in this procedure shall exclude applicable taxes, delivery charges and custom fees. Any purchase in foreign currency shall be calculated (estimated) at the time approval of the purchase is sought and the threshold shall be determined by the equivalence in Canadian funds.

5.1 Purchases \$1,000 and under

- Staff may make purchases of \$1,000 or under, for approved business purposes, without a competitive process.
- Staff shall make every effort to ensure purchases represent fair market price and good value. Price and quality shall both be considered in the purchase of a good or service.

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- Any purchase of \$1,000 or under shall be processed by petty cash (\$50 or less only; see 4.1), a corporate credit card, an employee expense claim or accounts payable (invoice coding).

5.2 Purchases from \$1,001 – \$10,000

- Purchases valued between \$1,001 and \$10,000 require approval by a permanent employee who is an authorized buyer (Section 11).
- Staff shall seek to obtain at least three (3) quotes or may provide the pricing information from a product or service website or advertised price;
- If an item can be accommodated within the approved department budget, is accounted for in an approved funding grant, and/or was approved as part of the capital budget, Full Authority approval is not required.
- Where three quotes cannot be obtained resulting from a lack of market response, the buyer shall evaluate if attempting to obtain additional quotes from other vendors is feasible and if not provide a rationale demonstrating good value based on market price information for comparable product or service pricing to the General Manager or Director of Operations.
- For specialized services where three or more quotes is not possible refer to Section 6 Direct Negotiation

5.3 Purchases from \$10,001 - \$50,000

- Staff shall seek to obtain at least three (3) quotes or bids (bids are optional) wherein the quote is received directly by KCCA from the Vendor, by correspondence (mail/courier/hand delivered), fax, email or KCCA approved electronic means.
- Where three quotes or bids are not received resulting from a lack of market response, the buyer shall evaluate if a reissuing of the quote or bid process is feasible and if not provide a rationale demonstrating good value based on market information or comparable to the General Manager/Director of Operations or the Board of Directors as required below.
- The General Manager or the Director of Operations and the Chair or Vice Chair (two signatures) may approve a purchase with a value between \$10,001 and \$50,000 if the product or service can be accommodated within the approved department budget, is accounted for in an approved funding grant, and/or was approved as part of the capital budget.
- Full Authority approval is required if the product or service is valued between \$10,001 and \$50,000 and was not part of the approved department budget and or was not approved as part of the capital budget unless identified as an emergency as outlined in this policy.
- A bid process may be used where it is deemed reasonable that the bid process would achieve better value.

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- For specialized services where three or more quotes is not possible refer to Section 6 Direct Negotiation.

5.4 Purchases from \$50,001 - \$100,000

- Staff shall seek to obtain at least three (3) bids and complete a pricing comparison sheet. The process will include documentation of the required product or services. Consideration should also be given to setting terms and conditions, work plan deliverables, warranties, and timelines for delivery, where pertinent.
- Where three bids are not received resulting from a lack of market response, the buyer shall evaluate if reissuing the bid process is feasible and if not provide a rationale demonstrating good value based on market information or comparables supporting acquiring the good/service from the responding one or two vendor(s) to the Full Authority.
- Full Authority approval is required for all products or services valued between \$50,001 - \$100,000 regardless of whether the item(s) can be accommodated in the approved departmental budget, is accounted for in approved funding grant or was approved as part of the capital budget unless identified as an emergency as outlined in this policy.
- Purchases of \$75,000 and over require a Public Tender Process or Request for Proposal Process; please refer to Section 12 and Section 13.

5.5 Purchases over \$100,000

- Purchases require a Public Tender Process or Request for Proposal Process; please refer to Section 12 and Section 13.
- Staff shall publicly solicit interest in supplying a good or service, using the means most appropriate including, but not limited to, bid websites, advertisement, KCCA website or that of another public sector organization or through trade publication(s).
- Where three bids are not received resulting from a lack of market response, the buyer shall evaluate if a reissuing of the bid process is feasible and if not provide a rationale demonstrating good value based on market information or comparables.
- A report shall be prepared and submitted to the Full Authority with a recommendation seeking approval for a purchase with a value over \$100,000. Where the selected bid is not the lowest bid or where fewer than three bids were received the report to the Board of Directors shall provide rationale.
- Once approved a copy of the tender documents shall be filed with Financial Services.

6.0 Direct Negotiations

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A direct negotiation contract under any of the thresholds set out in Section 5 is permissible, subject to the requirements set out in this section. A direct negotiation contract may be authorized as follows:

- 6.1 Any direct negotiation between \$1,001 and \$10,000 shall be approved by a permanent employee in consultation with the General Manager provided the item can be accommodated within the approved departmental budget, is accounted for in an approved funding grant, and/or was approved as part of the capital budget.
- 6.2 Any direct negotiation between \$10,001 and \$50,000 shall be approved by the General Manager or their designate provided the item can be accommodated within the approved departmental budget, is accounted for in an approved funding grant, and/or was approved as part of the capital budget.
- 6.3 Any direct negotiation that is not accounted for within the approved departmental budget, approved funding or capital budget shall be subject to approval by the Board of Directors.
- 6.4 Any direct negotiation contract over \$50,001 and above shall be subject to approval by the Board of Directors.
- 6.5 Where a quote or bid process results in a single qualified vendor, the buyer shall evaluate if reissuing the bid process is feasible and if not provide a rationale, with approvals according to the applicable purchasing authority, demonstrating good value based on market information or comparable.
- 6.6 Where one provider or supplier is recommended for consideration, KCCA may directly negotiate a specified good or service in one or more of the following circumstances:
 - Extension or renewal period of a previously approved contract where Board resolution or originally authorized contract provided for optional term(s) of renewal;
 - In the event of an Emergency (section 7);
 - Only market supplier of a unique, new or proprietary good or service (Section 7);
 - Vendor has been selected from an approved Vendor of Record list (Section 7);
 - A good or the supply of a good is limited due to market conditions (scarcity) and that the good is necessary for timely completion of work previously approved/in progress;
 - A good or service because of compatibility with existing products, facilities or services and represents good value; or
 - Where a request for bids, regardless of the purchasing mechanism, has failed to produce a qualified bid or where no bids at all are received and where review does not demonstrate any failure in the process.
- 6.7 The use of direct negotiation shall not be used to avoid issuing or reissuing of a failed bid or quote request, Request for Proposal (RFP) or Request for Tender (RFT) where it is in the best interest of KCCA to solicit bids under the same or a different purchasing mechanism.

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7. Purchasing Administration

- 7.1 Buyers are responsible to sign and date invoices within 3 – 5 business days of receipt indicating satisfactory delivery of goods and services and then forwarding the invoice to Financial Services as soon as possible for payment processing and avoidance of late charges.
- 7.2 All invoices must be directed to Financial Services for processing, standard payment terms shall apply (30 days after receipt of invoice).
- 7.3 Payment under section 4.1 or 4.2. shall be processed, at a minimum, 30 days after submission.
- 7.4 All thresholds or limits shall exclude applicable taxes.
- 7.5 Financial Services will retain all invoices and financial records received by the division in accordance with Canada Revenue Agency requirements.
- 7.6 Financial Services shall be made aware of any direct negotiations with a vendor as permitted.
- 7.7 All effort shall be made to obtain three quotes or bids; where the market has a limited number of bidders or where two or fewer responses are received, a 'declined to respond' from a bidder, where documented by staff (email, letter, fax) may be considered as a response.
- 7.8 KCCA reserves the right to cancel or amend any purchasing documentation issued.

8. Purchasing Mechanisms

8.1 Emergency Purchases

Emergency situations may arise where the normal requirements of the Purchasing Policy would put health or safety of people at risk, or cause a risk of significant property damage. Emergencies include, without limitation:

- An imminent or actual danger to the life, health or safety of an official or an employee while acting on KCCA's behalf;
- An imminent or actual danger to the life, health or safety of the public due to a flood, a spill, a pollutant, a fire, extreme weather or other occurrence;
- An unexpected and serious failure of a flood or erosion control structure owned or operated by KCCA;
- An unexpected interruption of an essential public service that poses a serious risk to the public (e.g. flood forecasting and warning system); or
- An imminent or actual danger of destruction or real property belonging to the KCCA or others.

An emergency situation is determined by the General Manager or designate, the Director of Operations or designate, the Health and Safety Representative or designate in consultation, where practical with the Board Chair or Vice Chair. It may or may not coincide with a municipal, provincial or federal declaration of emergency.

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Any expenditure over \$10,000 made outside of the approved budget under this provision shall be reported to the KCCA Board of Directors subsequent to the conclusion of the event in a timely manner.

KCCA employees or agents must track all expenditures made under emergency purchase provisions for full accounting and reporting purposes.

8.2 Confidential Service

To acquire professional confidential services in an instance where confidentiality is required to conduct an investigation/review (very limited application, i.e. retain investigative audit services).

The engagement of such services requires approval by two or more corporate Signing Officers: The General Manager or Director of Operations and the Board Chair or Vice Chair.

8.3 Specialized Knowledge/Research or Products

To acquire services for unique or proprietary knowledge or skills set possessed and successfully demonstrated by a vendor; or a new, emerging or highly specialized area of specific research; or scientific experimentation, modeling or data collection; or specific innovative products with limited or exclusive availability in the market.

Any buyer recommendation for Specialized Knowledge, Research or Products must be supported by appropriate rationale and approved by the Board of Directors.

8.4 Cooperative Purchase

KCCA will encourage and participate in processes and practices that support obtaining goods and services with other levels of government or other public agencies where it is in the best interest of KCCA and where it is in the best interest of the other parties under a cooperative purchasing agreement.

When contracting goods and services KCCA will include provisions, where practical, to permit other levels of government or public agencies to obtain, share or access the goods and services under the terms and conditions set out in the KCCA contract.

8.5 Vendor or Record (VOR)

KCCA may establish a pre-qualified Vendor of Record (VOR) list for specified goods or services, in accordance with the purchasing thresholds set out in section 5, for a term not to exceed four years, for reoccurring services on a non-exclusive basis, by Preferred Vendors deemed to be reliable and cost effective.

Goods and services obtained under a VOR shall not exceed \$100,000 annually in total for specified goods and services, inclusive of all qualified vendors under the approved VOR.

Purchasing Policy and Procedures

A VOR list shall be established utilizing broad market solicitation via a call of interest that shall establish terms, conditions, price per unit or rates.

The existence of a VOR process does not in any way prevent or limit KCCA from undertaking a purchasing process to obtain the same or like services; and a Preferred Vendor is in no way limited or prevented from bidding in an open purchasing process except where a vendor is identified under Section 13 of this procedure.

When KCCA obtains goods or services under a VOR process a buyer shall, by electronic means, contact each of the qualified preferred vendors on the list and seeking a Quotation in response to a request for goods or services.

Selection of a vendor under the VOR process shall be based on consideration of price, quality and the ability of the vendor to provide/deliver the good or service in the time required or to the specifications set out by the KCCA.

8.6 Special Procedures for Stewardship Services and Tree Planting Programs

Due to the relatively small number of tree nurseries with sufficient capacity and services to meet KCCA's needs, and the small number of companies familiar with extension services (i.e. wetland creation, tall grass prairie planting), the purchasing procedure for the procurement of trees or stewardship services will be as follows:

- On a yearly basis staff will review pricing from preferred nurseries and extension service providers that have demonstrated competitive pricing, product quality and availability;
- Staff will consider pricing, quality and availability when placing orders or arranging for services based on approved budgets.

The Authority manages a variety of funding grant programs such as the Elgin Clean Water Program where funding dollars are allocated to landowners who conduct extension services on their private property. The Authority may advise or arrange for extension services that may be paid for by the landowner through a combination of funding, grants and/or paid for by the landowner. It is recognized that for projects conducted on private lands the Authority can only advise as to the service providers chosen by landowners and will ensure that funding provided is in keeping with the parameters of the funding/grant proposal.

9.0 Purchases from Employees

For purposes of this policy, Employees shall include:

- KCCA staff members, their immediate family and any relative, whether by blood or marriage, residing with the staff member or immediate family;
- Any business, incorporated or not, with which any of the above hold either alone or collectively more than ten percent (10%) interest.

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Purchases from employees may be allowed, if approved by the General Manager or Director of Operations who will ensure that all other purchasing policies and procedures have been adhered to.

The General Manager or Director of Operations shall not approve a purchase from an employee if in his/her discretion:

- It can be reasonably assumed the completing of a purchase contract would detract from a staff member's ability to carry out his/her normal duties under the contract of employment;
- The contract is similar in nature to responsibilities and duties contained in the staff member's employment contract;
- It can be reasonably assumed an employee had particular knowledge that would allow the competitive process to be undermined.

10.0 Purchases by Employees

Items for personal use cannot be purchased through KCCA unless specific authorization is obtained from the General Manager.

11.0 Purchasing Limits/Buyers

All purchase orders shall be approved and signed by an approved buyer as outlined below. Limits for purchase approvals are as follows:

Staff	Approval Limit (aggregate value of purchase)
General Manager/Secretary Treasurer	\$10,000 and greater
Director of Operations	\$10,000 and greater
Permanent Staff (including contract staff approved by GM/DO)	Under \$10,000
All Other Buyers (one year or less contract staff, seasonal staff)	Under \$1,000

12.0 Public Tender Procedures

A Public Tender will be used for purchases of seventy-five thousand dollars (\$75,000) and above (excluding sales taxes) to obtain the best price when the specifications of the required goods or services are clearly defined. The tender process will be carried out in the following manner:

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- The project supervisor is responsible for preparing the tender package, including detailed specifications;
- Tenders must be routed to the General Manager or his/her designate who will log and safeguard all tenders received;
- Tenders shall be opened in the presence of an Evaluation Committee, which shall be comprised of; the General Manager, Director of Operations or Financial Services Supervisor; and the project supervisor, if any;
- Approval of the Board of Directors is required for the awarding of the successful tender;
- Reasons for accepting other than the lowest tender must be documented;
- A summary of the tenders and the reasons for accepting other than the lowest tender must be retained on file for post-audit purposes;
- KCCA Signing Officers shall sign the appropriate documents as required.

13.0 Request for Proposals Procedures

A request for proposals (RFP) will be used for purchases of seventy-five (\$75,000) and above (excluding sales taxes) to obtain best value solution to resolve a problem or to obtain a good or service when the exact specifications of the solution are not known. The RFP process will be carried out in the following manner:

- A project supervisor will be appointed by the General Manager or his/her designate;
- The RFP will be prepared by the project manager and approved by the General Manager or his/her designate;
- The project manager will prepare the RFP package, which will include a detailed description of the KCCA's current situation and requirements for a solution, the project's timing, the information that must be included in a Proposal and the evaluation of criteria for selecting the successful proponent;
- A call for Expression of Interest (EOI) may be undertaken, to identify companies that will be invited to submit detailed proposals , based on their resources, expertise and experience in the provision of solutions to similar problems;
- EOI's (if required) and Proposals must be routed to the project supervisor or his/her designate who will log and safeguard all EOI's and/or Proposals received prior to the closing date specified in the Call for EOI's or RFP;
- EOI's and/or Proposals shall be reviewed by an Evaluation Committee immediately following the closing date. The Evaluation Committee shall be comprised of a minimum of the General Manager or Director

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of Operations, and the project supervisor. If a consultant has been retained to assist with the RFP, the consultant may be invited to act as a resource to the Evaluation Committee as required;

- The Evaluation Committee may conduct interviews with representatives of proponents as required to determine their ability to provide a suitable solution;
- The recommended Proposal will be presented to the Board of Directors for approval along with a summary of the EOI's and/or proposals received and the reasons for the recommendation;
- KCCA Signing Officers shall sign the appropriate documents as required.

12.0 Bid/Bond Security

KCCA may require a bid bond or security (example: irrevocable letter of credit) when the opinion of the buyer with authorization from the General Manager, based on the nature of the good or service requested, a bond or security is deemed beneficial to the interests of the corporation.

If the Bond or security is held by KCCA and returned to the vendor upon successful completion of the contract, KCCA may offer interest on the funds held, not to exceed the lessor of the Bank of Canada prime lending rate or 3%, as of the date the security was received by KCCA. KCCA shall undertake to return the funds in a timely manner.

Performance Bond and Labour and Materials Bond are required for all construction projects exceeding \$100,000 for a minimum of 50% of the bid amount. For all other requirements, the project manager shall determine the financial amounts of the performance security.

Performance security is required for, but not limited to, construction, renovation, demolition, service contracts (when working on Authority property), and supply and installation of equipment for expenditures exceeding \$50,000.

13.0 Vendor Performance

KCCA shall evaluate vendor performance as part of the life-cycle of all contracts. Where vendor performance is deemed to be inadequate KCCA will take steps to notify the vendor of non-performance in writing and where deemed necessary, exclude a vendor from bidding on future work for a period of time not to exceed five (5) years.

14.0 Complaints

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Any complaint by a vendor or unsuccessful bidder about a purchasing process shall first be reviewed by the General Manager.

Failure to achieve resolution of the complaint after review by the General Manager, a vendor or unsuccessful bidder may seek to delegate to the Board of Directors at the discretion of the Board Chair.

15.0 Evaluation Process Guideline

The following process is intended to be a guideline. An Evaluation Committee (EC) or a buyer may use the Guideline in whole, part or modify the Guideline as required. The table is to guide staff in decision making regarding a submission or bid irregularity, this is not intended to be a complete list of potential issues, any matter not identified shall be considered by the EC and clarification sought from the General Manager or designate as necessary.

15.1 Evaluation Committee

- When an EC is established it shall be comprised of at least three (3) employees with one being the General Manager of Director of Operations and may include external parties for the purposes of providing a technical peer review or juried evaluation.
- Consideration should be given to having an uneven number of employees on the EC to avoid tied votes during the scoring or evaluation process.
- The EC shall approve the weighting of the evaluation process prior to reviewing submissions.
- The EC may use an Evaluation Matrix to score/record scores of a submission evaluation
- The evaluation notes of the EC shall be retained by the Buyer until one (1) year after the contract is completed.

15.2 Two Envelope Process

- This process may be used by a buyer to evaluate the technical and qualitative information of a given bid/proposal without the influence or prior knowledge of the pricing information.
- Use of this process must be clearly identified at the time the purchasing process is released to bidders (at the outset).

15.3 Bid Evaluation

- Bid evaluation criteria must be established for all contracts over \$75,000

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- Bid evaluation criteria may include price (including payment terms, discounts) quality, delivery (including availability, response times), service, credentials, or past performance. Other criteria may be used for evaluation based on recommendations of the EC prior to issuance of a RFP.
- In the event of a tied score resulting from any evaluation the EC can opt to use a lottery or coin toss to determine the successful bid/proposal.
- An EC or buyer can issue a clarification to all registered interested parties, or those parties contacted, prior to the close of a purchasing process
- An EC or buyer can extend the close of the bid with notice prior to the specified close
- An EC or buyer can seek clarification from a bidder during evaluation.

15.5 Notification

- An unsuccessful bidder under a bid process will be contacted in writing (email or formal letter) to be advised of the results of the purchasing process.
- Upon request, an unsuccessful bidder may seek feedback or rationale for the award.

15.6 Irregularities Table

Irregularity	Response	Authority
Late bid	Automatic Rejection – returned unopened	Buyer and one other EC member
Bid delivered to the wrong address	Automatic Rejection – returned unopened	Buyer and one other EC member
Bid completed in pencil	Automatic Rejection	Buyer
Bid that is illegible	Automatic Rejection	Buyer
Unsealed quote, bid or tender	Automatic Rejection	Buyer and one other EC member
Insufficient or unacceptable surety	Automatic Rejection	Buyer
Signature/Binding Authorization	Two business days to correct and initial – failure to amend may result in rejection	Buyer
Pages Missing	Two business days to correct and initial – failure to amend may result in rejection	Buyer

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Qualified Submission (qualified or restricted by an attached statement, unless allowed for)	Automatic rejection, unless, in the discretionary opinion of the EC/buyer it is deemed acceptable (minor, insignificant)	Majority of EC or buyer where no EC
Submission documentation not in the form provided for, where applicable	Automatic rejection, unless, in the discretionary opinion of the EC/buyer it is deemed acceptable (minor, insignificant)	Majority of EC or buyer where no EC
Corrections/changes to the submission (amended, struck , or concealed) but not initialed	Two business days to correct and initial – failure to amend may result in rejection	Majority of EC or buyer where no EC
Mathematical Errors	Two business days to correct and initial – failure to amend may result in rejections	Majority of EC or buyer where no EC
Minor irregularities	Discretionary	Majority of EC or buyer where no EC
Additional items or alternative bid in whole or part	Acceptable, unless specified otherwise in the request	Majority of EC or buyer where no EC
Circumstances beyond anyone's control	An EC may consider extenuating circumstances and provide an alternative	Majority of EC and General Manager or designate

16.0 Definitions

AODA: *Accessibility for Ontarians with Disabilities Act* (Ontario), an Act of the province of Ontario governing the accessibility of goods and services for persons with disabilities and/or differing abilities, set out under sector of specific regulations.

Bid: A response received to a request for quotes, Request for Proposal (RFP) or Request for Tender (RFT). The bid process shall seek responses from vendors/suppliers through an open posting of the good/service required (example: Bidding) issued by KCCA. This may also be referred to as proposal. A bid will take the form determined by KCCA and can be exclusively electronic.

Bidder: A party or parties submitting price/fee for specific goods and/or services.

Buyer: KCCA staff identified by position, that is authorized and that is appropriate for the purchase (same department/ division). Positions are set out under Section 11.

General Manager/Director of Operations: General Manager, corporate head of KCCA. The role of the Director of Operations is to act in absence of or as otherwise delegated by the General Manager.

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Chair/Vice-Chair: Executive positions determined by the Board of Directors representing the governance board for KCCA. The role of the Vice-Chair is to act in absence of or as otherwise delegated by the Chair.

Change Order: A documented amendment to an agreement or contract that adds, removes or alters wording in the original agreement or contract related to cost, scope, deliverables or schedule.

Competitive Process: A process that seeks bids/quotes for goods or services (example: Biddingo). Specific vendors/suppliers may be informed of the process but KCCA must also seek bids more broadly.

Confidential Service: Approved by the General Manager, Director of Operations, the Board Chair or the Board Vice-Chair or their designate in an instance where confidential services are required to conduct an investigation or review (very limited application, e.g. to retain investigative audit services).

Contingency: A contract may include funding that enables KCCA to complete work at an increased cost under initial approvals. The additional funding can cover costs resulting from unanticipated work complexity or a necessary *Change Order*. Approvals are required.

Contract: As defined in law. Generally shall include a term (beginning and end date), pricing/rates or fees, terms and conditions for the delivery of goods or services and articulates agreed upon wording that clarifies rights and duties between the parties to the contract. Contracts that bind the corporation must be signed by authorised signing officers. Standard contract templates are available.

Cooperative Purchasing: Refers to the participation of two or more public agencies in the process of contracting for a good or service. The contract may include provisions for other public agency to obtain the goods and services under the same terms and conditions.

KCCA: Kettle Creek Conservation Authority, commonly known as or carrying on business as KCCA, incorporated in the Province of Ontario.

Designate: a person or persons assigned or delegated authority, having the same authority as the position identified in the policy (e.g. Director may designate a Manager during an absence to carry out activities assigned to the Director level. The delegation must be documented prior to, or at the time of, the action by the designate). Signing Officer Authority cannot be delegated.

Direct Negotiations: To communicate with a vendor for the purpose of obtaining identified goods or services under terms and conditions agreeable to KCCA, according to the procedure.

Electronic Means: Acceptable technologies include email, emailed PDF, bid website submission or online form. Not acceptable would include text messages, video messaging or social media post.

Emergency: An event determined to be a threat to the health, safety or welfare of persons or property that requires action to address, mitigate or prevent harm, loss, liability or security. To address the event KCCA is required to purchase goods or services with immediacy relative to the circumstances and in accordance with approved procedures.

Environmental Conservation: Purchasing considerations that may include practices, products or services that promote: reduction of Green House Gases (GHGs), energy efficiency, recycling or reduction in waste, water

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quality and quantity, avoidance of toxins, reduction in chemicals, biodiversity, environmental offsets, cap and trade along with the health and wellness of our community.

Expression of Interest (EOI): A process that seeks a response from the market place to assess or measure the extent vendors would consider responding to services under consideration for contracting by KCCA (example: a new business idea or approach to work deliverable).

Evaluation Matrix: A scoring method for assessing if a vendor has met the requirements based on the bid they have submitted. The Evaluation Matrix is based on the requirements set out by KCCA for the supply of goods and services under contract.

Evaluation Committee (EC): A group of KCCA employees established as a committee to review submissions and select a vendor using an evaluation process to determine the successful bid based upon purchasing processes and requirements. An EC may include external parties for the purposes of providing a technical peer review or juried evaluation.

Goods and Services: Goods refer to tangible items (products, consumables) and Services refer to activities that support a deliverable or outcome (consultants, professionals).

Market Price: A price for a good or service. Staff shall make every effort to ensure purchases represent good value. Price and Quality shall both be considered in the purchase of a good or service.

MFIPPA: *Municipal Freedom of Information and Protection of Privacy Act (Ontario)*, an Act of the Province of Ontario governing privacy and the right of access to the records of KCCA by the general public as well as applicable exemptions to access to information KCCA may apply.

Negotiated Contract Award: A circumstance where it is determined that one or more bidders may be awarded a contract in part or in whole, where the bids received through a purchasing process do not yield a single bid that meets the requirements for the supply of a good or service.

Personal Purchase: A purchase that is not for an approved corporate purpose. Personal purchases are not permitted using corporate purchasing tools and if done so in error they should be immediately refunded to KCCA and management shall be informed.

Preferred Vendor: A supplier of a good or service that appears on an approved vendor of record list, under this process a call of interest will be made by KCCA and vendors can qualify to be pre-approved to supply reoccurring services to KCCA on a non-exclusive basis (e.g. office products, trade services).

Purchasing Authorities: The limits (upper/lower) or value range for the acquisition of goods or services, the limit can be applied to both the approval authority (determined by position) or by the type or value of the purchase as set out in the procedure.

Purchasing Principles: A statement of values which guide KCCA decisions related to the supply of goods and services. These may or may not be weighted factors in a formal evaluation process.

Quote: A means to obtain a market price for a good or service, as a result of KCCA approaching vendors or suppliers directly to provide a price for a specific good or service. Quotes can be received electronically (by means acceptable to KCCA), fax or by hardcopy.

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Quotation: A response from a vendor to a request for quotes by KCCA detailing the good or service to be supplied and the price or rate for that service.

Renewal Period: A contract must be for a fixed period of time. Approval may be sought to have pre-approved periods of contract renewal where, contingent upon satisfactory vendor performance and demonstrated good value, the General Manager and the Director of Operations may renew a contract for an additional fixed term in accordance with the procedure.

Request for Proposal (RFP): Documentation seeking a response from vendors for the supply of requested goods or services to KCCA. The response would inform a contract with a selected vendor.

Quotation/Bid Process: Documentation seeking a response from a vendor (s) for the delivery of specified goods or services to KCCA on a fixed price basis for a specified term.

Request for Tender (RFT): Documentation seeking bids to construct a project for KCCA at a price fixed as to total amount or on a per unit basis, or both, and where all material terms, conditions and specifications to be met for the construction project, aside from price, and in some cases, time for completion, are contained in the tender and determined at the time a bid is opened.

Signing Officer: Refers to a duly authorized signing officer of the corporation: KCCA Board Chair or KCCA Board Vice-Chair and General Manager or Director of Operations.

Specialized Knowledge or Research: Unique or proprietary knowledge or skill set possessed and successfully demonstrated by a vendor; or a new, emerging or a highlight specialized area of specific academic investigation or scientific experimentation, review, modeling or data collection.

Tender (Solicit/Solicitation): Refers to the notification of prospective vendors of the intent by KCCA to obtain responses to an Expression of Interest (EOI), Request for Quote (RFQ), Request for Proposal (RFP) or Request for Tender (RFT). Means may include, but are not limited to, bid websites, advertisements, KCCA website publication or that of another public sector organization or through a trade publication.

Vendor of Record: A party that supplies a good or service that has been pre-qualified and appears on an approved list of vendors.

Vendor: A party that supplies a good or service, they may also be referred to as a contractor, supplier or agent.

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Kettle Creek Conservation Authority

Expense Report

Name:

Purpose of Trip or Expenditure:

DATE	PARTICULARS	KMS	MEALS	OTHER	TOTAL AMOUNT	RECEIPT NUMBER
					-	
					-	
					-	
					-	
					-	
					-	
					-	
TOTAL		0	-	-	-	
		at 47¢	→		-	
		-			-	
TOTAL REIMBURSEMENT					-	

I solemnly declare that the above items
are correctly charged to the Authority.

SIGNED

APPROVED

- Includes: (1) Authorized per diem allowances (other than meetings).
(2) Hotel Accommodation.
(3) Transportation (other than car).
(4) Registration fees at conferences.

RECEIPTS ARE REQUESTED FOR ITEMS (2), (3) AND (4).

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1.0 DEFINITIONS

1.1 Quotation Process

The **quotation process** refers to procedures outlined in Sections 4.4, 4.5, and 4.6, whereby under certain dollar limits, either verbal or written quotations are required.

1.2 Tender Process

The **tender process** refers to procedures outlined in section 4.7, whereby under certain dollar limits, either invited or public tenders or requests for proposals are required.

1.3 Supplier

A **supplier** refers to any company providing a product or service.

1.4 Cash Purchases

A **cash purchase** refers to out of pocket, out of till, or out of petty cash expenditures.

1.5 Contract

Unless otherwise deemed advisable or required, **contract** refers to Instruction to Bidders (Appendix 4), Plans and Specifications (Appendix 5), and Proposal Form and Acceptance (Appendix 6), and Supplier's Responsibility (Appendix 8).

1.6 Goods and Services

For the purpose of this policy, **goods and services** shall be defined as any item or service purchased by KCCA. Such purchases may include materials and supplies, equipment, or contractor services required for the operation of KCCA facilities, resource management programs, and the implementation of any corresponding projects.

1.7 Tender Administrator

Tender Administrator refers to the staff person responsible for conducting either the quotation or tender process, or the request for proposal processes.

1.8 Credit Card Purchases

A **credit card purchase** refers to purchases made with the Corporate Credit Card.

INTRODUCTION

This document will serve as a guideline to KCCA members and staff in the orderly purchase of goods and services in order to achieve the desired product of an identified quality and quantity using a number of criteria as outlined in Section 5.5 of this Policy.

This document outlines specific purchasing policies and procedures to be followed depending upon the type of good or service sought by the Authority. Staff and management responsibilities are clarified to ensure: proper purchasing procedures are followed; the goal of the purchase is achieved cost effectively; and the establishment of an adequate system of purchasing control.

This Policy should be read together with KCCA's Personnel Policy, the Zero Tolerance Policy, the Staff Communication Protocol and Appeal Process and the Misconduct and Discipline Policy.

2.0 PURCHASING POLICY

3.1 General

For economy and efficiency reasons, Authority staff should consolidate the purchase and acquisition of goods and services for pricing and delivery purposes.

Where any KCCA budgetary funds are used, in total or in part, to purchase a good or service, KCCA staff does not require board approval. However, in certain cases, KCCA staff are be required to contact the Chair of the Board of Directors or the Board of Directors itself in order to obtain approval for special purchases not within budgetary funds. Further, KCCA staff should acquire three quotations for larger purchases as outlined in Section 4.0 of this Policy, to be discussed below. However, when a purchase for an extraordinary item (emergency items or items where a time restriction is in place) is being made, KCCA staff may not have enough time to gather three (3) quotations. Before purchase in such an instance, permission must be sought from the Chair or Vice-Chair of the Board of Directors.

Quotations are preferably sought from suppliers having their business or service located within the boundaries of a KCCA member municipality. However, depending upon the goods or services desired, this may not be possible.

It is recognized that, for specialized goods or services, three (3) quotations may not be obtainable. Documentation of such occurrences is to be noted in a report to the General Manager/Secretary Treasurer and/or the Board of Directors.

The information and requirements within this document are not to be interpreted to the advantage or avoidance of the intent of such information and requirements. The various stipulations of this document must be read consistently together.

Copies of the KCCA purchasing policies and procedures document are available upon request and are free of charge.

3.2 Member and Staff Responsibilities

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 order 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.

No purchase 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, unless approved by the Full Authority.

Only the General Manager/Secretary Treasurer and the Chair or Vice-Chair has signing authority to execute any required contracts.

For budgeted purchases below \$25,000.00, such designates in the prescribed combinations shall have power to execute a contract or to make a purchase, when such purchase has received approvals required in Section 4.0. All contracts or agreements of \$25,000.00 or greater require Full Authority review and approval.

The General Manager/Secretary Treasurer shall have discretionary power with regard to deeming the supplier's written declaration of good standing with the Worker's Compensation Board as suffice -- versus certificates noted as possibly required within the Instruction of Bidders (Appendix 4) and Suppliers Responsibility (Appendix 8) based upon any of the following criteria:

- (a) consistent use of a reputable contactor,
- (b) scope of the work,
- (c) exposure to risk, or
- (d) prior knowledge of good standing with the Supplier

The General Manager/Secretary Treasurer or Director of Operations shall be the tender administrator for goods and services above \$25,000.00. For purchases below \$25,000.00, individual staff, according to their job description and noted or assigned duties, will serve as the tender administrator. However, in such circumstances that warrant deviation of any sort from approvals required or obtained, such tender administrator must seek approval of the appropriate authorities as outlined in Section 4.0.

Where an emergency occurs that in the opinion of the General Manager constitutes an imminent danger to life or property and requires the immediate procurement of goods or services, the General Manager may purchase such goods and services by open market procedure at the lowest obtainable price regardless of the amount of the expenditure. Before such purchase has been made, the Chair or Vice-Chair of the Board of Directors must be contacted for approval.

KCCA staff is responsible for obtaining quotations according to the works annually approved and budgeted for their respective programs, and according to their individual job descriptions.

No purchase of goods or services shall be made for personal use or benefit by any employee of the Authority other than those approved by the Full Authority (ex. Conference expenses, work boots/clothing, etc.)

3.3 Financial Guidelines

All applicable federal and provincial sales taxes must be noted separately on written quotations and tenders as well as on all invoices for any purchase by the KCCA.

Unless otherwise specified within the instruction to bidders or a contract, payment will be made only upon successful completion of works or delivery of services. Interim payments otherwise require Full Authority approval.

The extent of quotation or tendering plans or specification shall reflect the simplicity or complexity of the good or service desired and not as determined by certain dollar limits and their specified requirements as noted in Section 4.0.

Where KCCA payment is not made until successful completion of work, no tender deposits, labour and material bond, or performance bond shall be required. Conversely, where interim payments are agreed upon within a contract, the Full Authority shall have discretion with regard to the requirement of such deposits and bonds.

For final design and project construction administration, the Full Authority may contract specifically with the supplier having prepared the preliminary design or assessment, forgoing the quotation or tendering process.

Budgetary expenditures involving the use of contractors for a total expenditure of \$10,000.00 or less do not necessarily require a formal quotation procedure. Contractor rates will be reviewed and updated annually using January 1 of the calendar year as a date which to commence updates. For contractor rates that are received in the middle of the calendar year, the January 1 date still applies. An individual contractor will be chosen based upon: known competitive rates; best qualification and experience to complete the project; and availability to meet KCCA project schedules and the factors as noted in Section 5.5 of this Policy.

Vehicle and equipment acquisition quotation or tendering procedures will reflect, as best possible, specified requirements and features. However, purchasing based on past KCCA experience can be taken into consideration when looking into vehicle and equipment acquisitions. In circumstances that permit vehicle or equipment to be purchased without quotation or tendering procedures, the General Manager and Chair or Vice-Chair of the Board of Directors may use their discretion when approving the purchase of the above said items.

4.0 Purchasing Orders and Control

4.1 Purchased between \$0.00 and \$100.00 or Petty Cash

- Verbal approval from permanent supervisory staff member is required or staff with purchasing approval as given by the General Manager
- Seasonal staff members require verbal approval from a supervisory staff member
- Staff person is responsible for maintaining records of purchases and monitoring expenses in accordance with their program budgets and reporting and budgetary concerns to the General Manager
- Sales slips for charge sales are required to be forwarded to the Financial Services Supervisor within two (2) days of the purchase. The sales slip must be clearly marked with the name of the supplier, the date, the department or project that the purchase is to be charged to, the total paid, Goods & Services Tax (herein referred to as “GST”) and Provincial Sales Tax (herein referred to as “PST”) charged, the vendor’s GST registration number, and the purchaser’s name

4.2 Purchases between \$100.00 and \$250.00

- Verbal approval from permanent supervisory staff member is required or staff with purchasing approval as given by the General Manager
- Staff person is responsible for maintaining records of purchases and monitoring expenses in accordance with their program budgets and reporting any budgetary concerns to the General Manager
- Sales slips for charge sales are required to be forwarded to the Financial Services Supervisor within two (2) days of the purchase. The sales slip must be clearly marked with the name of the supplier, the date, the department or project that the purchase is to be charged to, the total paid, GST and PST charged, the vendor’s GST registration number, the purchaser’s name, the terms of the sales, and sufficient description of the purchases’ intended use

4.3 Purchases between \$250.00 and \$2,500.00

- Employees are able to use previous vendors whom have completed similar work for KCCA in the past two years. When this is the case, the employees are required to obtain verbal permission from the General Manager before any work is commenced. On an annual basis, appropriate staff members will collect quotations from various vendors to be used for the calendar year. These annual quotations are to be used for vendors who are frequently used in order to eliminate the need for three (3) quotations each time the good or service is needed.

- Items included in this condition include, but are not limited to: garbage disposal, sewage disposal, roads maintenance, printing, office supplies, etc.
- If an item is specifically noted within the approved yearly program budget, and the total purchase price (including shipping, handling and taxes, etc.) is within the budgeted amount, purchase approval by the Full Authority is not required.
- Full Authority approval is required for purchases proposed using surplus funds, unspent funds, or reserve funds proposed for use in purchasing items not budgets. The General Manager has discretion to transfer expenditures to priority budgeted projects if the need arises
- In accordance with Section 3.2, the General Manager and either the Chair or Vice-Chair of the Board of Directors shall have power to execute contracts as discretion deems required after all necessary purchase approvals are obtained
- The supplier's invoice must possess the supplier's name, date, PST and GST charged, and the vendor's GST registration number. Staff shall document within their reports and on the invoice, the purpose for the purchase

4.4 Purchases between \$2,500.00 and \$10,000.00

- At least three (3) quotations are required and are to be recorded on the Quotation Comparison Sheet. Product or service specifications to be compiled and forwarded to suppliers as well as appended to Quotation Comparison Sheet (Appendix 1).
- For routine purchases or work to be completed, employees are able to use previous vendors whom have completed similar work for KCCA in the past. When this is the case, the employees are required to obtain verbal permission from the General Manager before any work is commenced. On an annual basis, appropriate staff members will collect quotations from various vendors to be used for the calendar year. These annual quotations are to be used for vendors who are frequently used in order to eliminate the need for three (3) quotations each time the good or service is needed.
- If an item is specifically noted within the approved yearly program budget, and the total purchase price (including shipping, handling and taxes, etc.) is within the budgeted amount, purchase approval by the Full Authority is not required.
- Full Authority approval is required, for purchases proposed using surplus funds, unspent funds, or reserve funds proposed for use in purchasing items not budgets. The General Manager has discretion to transfer expenditures to priority budgeted projects if the need arises
- In accordance with Section 3.2, the General Manager and either the Chair or Vice-Chair of the Board of Directors shall have power to execute contracts as discretion deems required, after all necessary purchase approvals are obtained

- The supplier's invoice must possess the supplier's name, date, PST and GST charged, and the vendor's GST registration number. Staff shall document the purpose for the purchase within their reports and on the invoice.

4.5 Purchases between \$10,000.00 and \$25,000.00

- At least three (3) quotations are required and are to be recorded on the Quotation Comparison Sheet. Product or service specifications to be compiled and forwarded to suppliers as well as appended to Quotation Comparison Sheet (Appendix 1).
- If an item is specifically noted within the approved yearly program budget, and the total purchase price (including shipping, handling and taxes, etc.) is within the budgeted amount, purchase approval by the Full Authority is still required. If an item is a specialized purchase where immediate action is required to obtain the desired item, a report is to be made to the Chair of the Board outlining the purchase, cost, and reason for the purchase
- Full Authority approval is required, for purchases proposed using surplus funds, unspent funds, or reserve funds proposed for use in purchasing items not budgets. The General Manager has discretion to transfer expenditures to priority budgeted projects if the need arises
- In accordance with Section 3.2, the General Manager and either the Chair or Vice-Chair of the Board of Directors shall have power to execute contracts as discretion deems required after all necessary purchase approvals are obtained
- The supplier's invoice must possess the supplier's name, date, PST and GST charged, and the vendor's GST registration number. Staff shall document the purpose for the purchase within their reports and on the invoice.

4.6 Purchases over \$25,000.00

- At least three (3) quotations are required and are to be recorded on the Quotation Comparison Sheet. Product or service specifications to be compiled and forwarded to suppliers as well as appended to Quotation Comparison Sheet (Appendix 1).
- If an item is specifically noted within the approved yearly program budget, and the total purchase price (including shipping, handling and taxes, etc.) is within the budgeted amount, purchase approval by the Full Authority is still required. If an item is a specialized purchase where immediate action is required to obtain the desired item, a report is to be made to the Chair of the Board outlining the purchase, cost, and reason for the purchase
- Full Authority approval is required, for purchases proposed using surplus funds, unspent funds, or reserve funds proposed for use in purchasing items not budgets. The General Manager has discretion to transfer expenditures to priority budgeted projects if the need arises

- Bidders are to be summarized in report form for Full Authority meeting purposes
- Recommendation for supplier selection, noting reasons, to be documented in report to the Full Authority
- Full Authority review and approval of purchase is required, including conservation services projects
- As per Section 3.2, the General Manager and either the KCCA Chairman or Vice-Chairman shall have power to execute contracts (only as defined in Section 1.5) as discretion deems required, after all necessary purchase approvals have been obtained
- The supplier's invoice must possess the supplier's name, date, PST and GST charged, and the vendor's GST registration number. Staff shall document the purpose for the purchase within their reports and on the invoice.

5.0 PURCHASING PROCEDURES

5.1 Quotations

- 5.1.1 Through discussion with the General Manager, ensure all appropriate approvals to undertake the project prior to undertaking the quotation process.
- 5.1.2 Investigate desired product/service and alternative products/services.
- 5.1.3 Determine desired product/service and possible alternatives accordingly.
- 5.1.4 Prepare written product/service plans or specifications, describing a suitable level of detail. Include any instructions to bidders as may be required, including deadline and medium (written or verbal), required for quotation submission.
- 5.1.5 Record quotations received on quotation comparison sheet. Prepare necessary reports for supervisory or Full Authority approval. Ensure reasons for quotation selection are recorded as specified within Section 4.4, 4.5, and 4.6.
- 5.1.6 Prepare a letter to the successful supplier confirming order.
- 5.1.7 Prepare letters to unsuccessful suppliers noting the specifics (name of supplier, and price approved) of the accepted quotation if requested by unsuccessful candidates. If the lowest quotation is not accepted, consideration should be given as to noting reason(s) for acceptance of higher price quotation.
- 5.1.8 Prepare any contractual agreements required for product/service implementation. Execution by approved authority is required prior to delivery or commencement of work. The execution of any contract, beyond that defined in Section 1.5, requires prior approval of the Full Authority.
- 5.1.9 Notify the General Manager and Financial Services Supervisor of acceptable works completion or service delivery, and request payment be processed.

5.2 Tenders

- 5.2.1 Through discussion with the General Manager, ensure all appropriate approvals are obtained to undertake the project prior to undertaking the quotation process.
- 5.2.2 Investigate desired product/service and alternative products/services. A certain amount of preliminary investigation may have already taken place as part of the budgetary and project file process undertaken the year prior.
- 5.2.3 Other than vehicle and equipment tenders, determine the desired product and service. No alternatives should be included within the tender, unless a written addendum is issued to all tenders.
- 5.2.4 Prepare written product/service plans or specifications, describing a suitable level of detail. Include any instructions to bidders as may be required, including deadline and medium (written) required for tender submission.
- 5.2.5 Distribute the Instructions to Bidders, Plans and Specifications, and Proposal Form and Acceptance according to the requirements of Section 4.7 (i.e. invited versus public tender)
- 5.2.6 Record tenders received in report form for Full Authority review and approval. Note which tender is recommended and reasoning behind the recommendation.
- 5.2.7 Execution of contracts or agreements by the approved authority (see Section 4.7) is required prior to delivery or commencement of work. The execution of contracts, beyond that as denied in Section 1.5, requires the prior approval of the Full Authority.
- 5.2.8 Monitor ongoing project or service to ensure compliance and payment (including interim payments) as specified by the contract or agreement and certification requirements.

5.3 Addenda

Regarding Section 5.1.4 and Section 5.2.5, a covering letter shall be prepared by the Tender Administrator noting the non-applicability of certain items (ex. Liability Insurance, WSIB coverage) for certain contracted purchases (ex. Equipment, vehicles, or other suppliers) contained within the contract, as defined in Section 1.5.

Two copies of such contract package shall be forwarded to suppliers. The suppliers shall sign both proposal forms, noting the quoted or tendered price as the case may be. One completed copy of the contract, within the acceptance executed by the prescribed staff member (as per Section 4.4, 4.5, 4.6, 4.7), shall be returned to the supplier.

5.4 Cash Purchases

Cash purchases shall be kept to a minimum and shall be restricted to items of program responsibility or items approved by the General Manager/Secretary Treasurer, Director of Operations, permanent staff, or staff with purchasing privileges as directed by the General Manager/Secretary Treasurer, with due regard for budgetary responsibility.

Cash purchases of \$100.00 and under require permanent supervisory staff approval. Receipts are to be retained, clearly marked with the supplier name, purpose of purchase, and purchaser signature, and there after forwarded to the General Manager on the Expense Report form on a monthly basis (starting on the first (1st) of the month and ending on the last day of the month).

Petty cash purchases to a limit of \$100.00 are administered by the Financial Services Supervisor. Petty cash is only to be used when the supplier does not have a charge account for KCCA.

5.5 Credit Card Purchases

Credit Card purchases shall be kept to a minimum and shall be restricted to items approved by the General Manager/Secretary Treasurer and Director of Operations with due regard for budgetary responsibility.

A single corporate credit card will be held by the Financial Services Supervisor. Employees must submit a written request/purchase order detailing the expense and reason for the credit purchase. Upon receipt of a purchase order authorized by the General Manager/Director of Operations the Financial Services Supervisor will sign out the Credit Card to the requesting employee for a time period reasonable enough to make the requested purchase.

Once the purchase is completed the card is to be returned to the Financial Services Supervisor. The employee is to submit the original receipt, including the credit card receipt to the Financial Services Supervisor. The Financial Services Supervisor will attach the receipt to the purchase order.

Charges for items where the receipt is misplaced or for which an authorized purchase order was not received will be the responsibility of the employee who has the card signed out at the time of purchase.

Employees will not benefit personally from any transaction using the Corporate Credit Card. All points collected based on credit card purchases will be applied to the Authority's account.

All purchases using the Corporate Credit Card must first meet the purchase order and controls outlined in Section 4.0 and the overall intent and guidelines of this policy.

Examples of appropriate purchases using the Corporate Credit Card include:

- Payment for goods/services with a supplier who because of the volume of goods/services purchased does not warrant the supplier being established as a KCCA vendor
- Travel expenses including accommodations
- On-line purchases

Examples of inappropriate purchases using the Corporate Credit Card include:

- Personal expenses under any circumstances
- Purchases not approved by the General Manager/Director of Operations
- Purchases that do not meet the purchase orders and controls outlined in Section 4.0 of this policy.

5.6 Purchase Selection Guidelines

The following selection criterion emphasizes experience and expertise rather than lowest cost:

- Qualification or expertise
- Previous experience and performance with KCCA
- Availability of qualified staff to meet deadlines
- Ability to deliver
- Knowledge of local standards and approvals processes
- Proximity to the work site and review of site prior to proposal submission
- Understanding of the objectives
- Quality of proposed approach
- Cost of service
- Suitability of good/service to meet KCCA requirements or the objective of the purchase
- Any other criteria considered to be appropriate
- Lowest monetary tender not necessarily accepted

6.0 APPENDICIES

1. Quotation Comparison Sheet
2. Instructions to Bidders
3. Plans and Specifications
4. Proposal Form and Acceptance
5. Tender Administrator's Responsibility
6. Supplier's Responsibility

TO: Personnel and Finance Committee

FROM: Elizabeth VanHooren

Date: October 4, 2018

Subject: 2019 Budget Considerations



Recommendation: That staff be directed to develop a 2019 Draft Budget incorporating a cost of living increase of 2.0% and a levy increase of 7%.

PURPOSE

To inform the Board of Directors of salary/benefit considerations for the 2019 Draft Budget.

REPORT SUMMARY

- 2019 is the final year of a four-year budget process designed to build capacity by phasing in the permanent full-time position of the GIS/IT Supervisor
- The 2019 Budget will be developed by the existing Board of Directors but will be approved by the new Board of Directors appointed following the municipal election in October
- A 2% cost of living increase to all salary ranges is being recommended for inclusion in the 2019 Draft Budget

BACKGROUND

In 2015, the City of London introduced a multi-year budget process. In order to accommodate this process, KCCA undertook a four-year budget for the period 2016 – 2019. The budget concentrated on building capacity by phasing in a full-time permanent GIS/IT Supervisor.

2016	2017	2018	2019
6%	7%	7%	7%
\$45,155	\$55,842	\$59,750	\$63,933

Municipal Elections

The 2019 budget year is challenging as the current Board of Directors will develop the budget; however, it is the new Board, appointed following the municipal election in October that will ultimately approve the 2019 Budget in February 2019.

Staff are currently presenting the Strategic Budget Reports for each department. These will be compiled and presented to any new Board members as part of an Orientation package.

New board members are typically appointed in November and December following the election. Consequently, staff are recommending that the December Full Authority meeting be cancelled and replaced with an orientation session for new members.

The first Full Authority meeting with the new membership would be January 16, 2019. A draft 2019 budget will be presented at that time. Input will be sought from the new membership with an updated draft presented at a meeting in February prior to final consideration at the February Annual General Meeting

2019 Program Considerations

The four-year budget (2016-2019) was designed around phasing in the permanent full-time position of the GIS/IT Supervisor using self-generated revenue until the position could be completely supported by levy in 2019.

The GIS/IT Supervisor position has become an integral role at the Authority and met or surpassed its self-generated revenue goal each year averaging 3 partnerships per year and a total of \$223,000 in external funding. KCCA is now recognized as a leader in geospatial science in the province. Further the position has achieved a number of efficiencies at the Authority including databases and application that when further developed will increase the amount and quality of data and information that can be shared with the public.

The current projected levy increase of 7% for 2019 remains necessary to complete the GIS/IT Supervisor position's permanency at the Authority and uncontrollable increases relative to cost of living adjustments and salary merit increases. It is recommended that a 2% COL be used in the draft 2019 Budget. Ontario's CPI for the period April 2017 – April 2018 was 2.1%. However, it has increased to as high as 3.1% in August.

All program considerations for 2019 included in the Strategic Budget Reports being presented by staff can be accommodated in the 7% increase.

As mentioned throughout the Strategic Budget Reports resource staffing remains a prime objective. Any resource positions (contract and seasonal staff) considered for 2019 will be accounted for through funding grants or use of the wage subsidy reserve.

2019 Benefit Considerations

Staff are currently budgeting for all known increases to OMERS, Group Insurance and MERCS including WSIB, CPP, EI and EHT.

To date OMERS has not announced a rate increase and EHT remains unchanged.

KCCA participates in the Conservation Authorities of Ontario Group Benefits Program. The program is a cooperative plan, managed by Conservation Ontario's Group Insurance and Benefits Committee that delivers value through volume purchasing. To address increasing costs

the Committee will be taking the plan to market in 2019. The marketing exercise will entail an open bid process from all potential insurers to ensure competitiveness in terms of price and product offering.

Of concern to the 2019 budget and the next four year budget cycle will be increased CPP premiums. Starting in 2019 the Canada Pension Plan (CPP) will be gradually enhanced over the next 7 years. Once fully in place, the CPP enhancement will increase the maximum CPP retirement benefit by about 50 percent.

In 2019 the contribution rate increases to 5.1% and the upper earning limit increases to \$59,700. This increase represents an increase in costs to the Authority of just over \$5,700. Similar increases are proposed each year until the upper earning limit increases to \$82,700 in 2025. The next four-year budget cycle will need to account for these increases.

RECOMMENDATION

That staff be directed to develop a 2019 Draft Budget incorporating a cost of living increase of 2.0% and a levy increase of 7%.

DRAFT

7% Levy

DRAFT

Kettle Creek Conservation Authority • 2019 Levies•

Municipality	Modified Current Value Assessment	% Municipality in Watershed	MCVA in Watershed	% Levy	2019 Matched Levy	2019 Non-Matched Levy	2019 Special Levy **	2019 Total Levy	2018 Total Levy	Difference 2017/2018
Central Elgin	\$1,623,986,079	60	985,683,521	7.7225	\$31,960.61	\$37,217.29	\$8,710.44	\$77,888.35	\$72,792.85	\$5,095.50
Middlesex Centre	\$2,783,961,514	7	201,209,522	1.5764	\$6,524.18	\$7,597.24	\$851.99	\$14,973.41	\$13,993.84	\$979.57
London	\$47,335,512,971	15	7,327,772,813	57.4107	\$237,601.74	\$276,680.96	\$26,264.28	\$540,546.98	\$505,184.09	\$35,362.89
Thames Centre	\$2,032,267,762	8	169,060,978	1.3245	\$5,481.77	\$6,383.38	\$846.38	\$12,711.53	\$11,879.94	\$831.60
Malahide	\$1,003,246,166	8	85,159,908	0.6672	\$2,761.29	\$3,215.46	\$846.38	\$6,823.13	\$6,376.76	\$446.37
Southwold	\$686,495,449	78	472,667,106	3.7032	\$15,326.15	\$17,846.89	\$6,333.85	\$39,506.89	\$36,922.33	\$2,584.56
St. Thomas	\$3,608,318,030	96	3,522,227,365	27.5955	\$114,207.60	\$132,991.74	\$37,610.73	\$284,810.07	\$266,177.64	\$18,632.43
Total	\$59,073,787,969		12,763,781,213	100.00	\$413,863.35	\$481,932.95	\$81,464.05	\$977,260.00	\$913,327.00	\$63,933.00

