



FINANCE & ADMINISTRATION COMMITTEE MEETING AGENDA

Healthy Communities without Poverty

Date: Wednesday, February 24, 2021

Time: 12:00 PM

Location: By video conference while pandemic protocols are in place

Join Zoom Meeting

<https://zoom.us/j/99890756880?pwd=R281RHpwM3VtbmFjelpkeWowSlZiUT09>

Meeting ID: 998 9075 6880

Passcode: 635843

One tap mobile

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Passcode: 635843

Members: Councillor Mark King (Chair), Councillor Dan Roveda (Vice Chair), Mayor Dean Backer, Councillor Mac Bain, Mayor Jane Dumas, Councillor Terry Kelly, Councillor Chris Mayne, Councillor Dave Mendicino, Mayor Dan O'Mara, Councillor Scott Robertson, Representative Amanda Smith, Councillor Bill Vrebosch.

Item	Topic
1.0	1.1 Call to Order
	1.2 Declaration of Conflict of Interest

Item	Topic
2.0	Opening remarks by the Chair
3.0	Approval of the Agenda for February 24, 2021 MOTION: FA #2021-01 THAT the Finance and Administration Committee accepts the Agenda as presented.
4.0	4.1 DELEGATIONS – <ol style="list-style-type: none"> 1. Dean Decaire – Audit Planning 2. Saxon Yanta - Revisions to the DNSSAB/NDHC Purchasing Policy MOTION: FA #2021-02 <i>Resolved</i> THAT the District of Nipissing Social Services Administration Board (DNSSAB) approve the updates to the DNSSAB/NDHC Purchasing Policy, CORP #01.
5.0	CONSENT AGENDA – <i>for Information</i> MOTION: FA#2021-03 THAT the Committee receives for information purposes Consent Agenda item 5.1. 5.1 Early Years & Childcare Sector Funding – Reconciliations Update
6.0	MANAGERS REPORTS – none at this time.
7.0	OTHER BUSINESS
8.0	NEXT MEETING DATE Wednesday, March 24, 2020
9.0	ADJOURNMENT MOTION: FA #2021-04 <i>Resolved</i> THAT the Finance and Administration Committee meeting be adjourned at PM.

BRIEFING NOTE FA03-21

For information For Approval

Date: February 24, 2021

Purpose: Revisions to the DNSSAB/NDHC Purchasing Policy

Prepared by: Saxon Yanta, Contract & Purchasing Specialist

Reviewed by: Catherine Matheson, CAO

RECOMMENDATION

THAT the District of Nipissing Social Services Administration Board (DNSSAB) approve the updates to the DNSSAB/NDHC Purchasing Policy, CORP #01.

BACKGROUND

In 2018, DNSSAB and NDHC's Purchasing Policy underwent revisions to align procurement activities between the two agencies. While the Purchasing Policy is required to be reviewed at a minimum of every 5 years, staff felt that updates were required in order to streamline procurement activities, provide clarity where items were previously silent, and align purchase approvals with peer organizations and trade agreement obligations for public sector organizations.

PURCHASING POLICY UPDATES

The updated Purchasing Policy is attached, with a summary of the revisions highlighted below.

Policy Updates

Intent of Policy

- Clarification that, while the Broader Public Sector Procurement Directives issued by the Management Board of Cabinet on July 2011 does not apply to DNSSAB or NDHC, the Purchasing Policy will consider the directives as applicable.

Segregation of Duties

- Removed from the policy and included as part of the Purchasing Procedure Manual.

Roles and Responsibilities

- More clearly outline the Board's responsibilities as they relate to the Purchasing Policy.
- Board responsibilities include:
 - Approval of governance policies related to the delegation of authority;
 - Acquisitions or disposal of Real Property shall be presented to the Board, regardless of the value;
 - When Board approval is required related to Purchasing.

Direct Negotiation

- Added clarifying information for the paperwork to complete and the approvals to obtain in circumstances of Direct Negotiation (sole sourcing/single sourcing).

Procurement in Emergencies

- Added clarification that, in circumstances where the Ministry directs funding to the DNSSAB within a timeline that prohibits the use of a Public Procurement Method, then an Emergency situation shall apply, and the appropriate process shall be followed.

Transfer Payments

- Provide clarification and examples of what a Transfer Payment is;
- Clarified that all Transfer Payments, regardless of Approval Authority, shall be authorized by the CAO/CEO;

- Add clarification to indicate some funding provided by a Ministry through a Transfer Payment must be done under prescribed circumstances or directed to a particular group. In such instances, Public Procurement is not possible, however Departments should always take care to make purchases as competitive as possible and ensure best value to the organization within the guidelines set by the Ministry.

Contractual Agreement and Administration

- All Transfer Payment Agreements must be approved by the CAO/CEO or their Designate;
- All Public Procurements must be approved by the CAO/CEO prior to being released publicly and prior to a Bid Award;
- Contracts must be initialed by the department Director prior to Contract signing.
- Contracts must be signed by the CAO/CEO or their Designate;
- Authorized Person responsibilities once a Contract has been signed and for the duration of the Contract.

Schedule A- Approval Authority and Procurement Method

- Purchasing process decision tree included within the document for ease of reference;
- Procurement method thresholds increased to align with peer organizations and trade agreement for public sector agency requirements.
- Clarified approvals for multi-year commitments.

Schedule B – Direct Negotiation

- Instructions for completing a Direct Negotiation Form added including required approvals and document filing.

Schedule C – Excluded Goods and Services

- Added Insurance and Insurance Brokers;
- Added group benefit plans
- Expanded definitions of advertising and banking.

Definitions

- Updated definitions section with new definitions as well as revisions to existing definitions for the purpose of clarity. Definitions of particular note include:

- The addition of a definition of real property;
- Updates to the conflict of interest definition to align with the DNSSAB Conduct and Behaviour Policy;
- An expanded definition of “emergency” which includes circumstances when the Ministry provides funding to the DNSSAB with short turnaround times which may prohibit DNSSAB’s ability to use a Public Procurement Method;
- Properly define Transfer Payment agreements.

NEXT STEPS

Upon approval of the revisions to the Purchasing Policy by the Board, the updated Purchasing Policy will take immediate effect.

DNSSAB / NDHC Purchasing Policy #CORP-01

PURCHASING POLICY AMENDMENT HISTORY

Date	Details	Board Resolution
April 16, 2013	Purchasing Policy FIN/ADM 08 replaced Purchasing Policy FIN/ADM 01	2013-73
February 20, 2018	Purchasing Policy #CORP-01 to replace Purchasing Policy FIN/ADM 08	2018-19
December 19, 2018	Updated Purchasing Policy #CORP-01 (to include NDHC)	2018-116
February 24, 2021	Updates to Purchasing Policy	2021-

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AUTHORITY

Procedural By-law 2020-01

INTENT OF POLICY

It is the policy of the DNSSAB and NDHC to:

1. Purchase Goods, Services and Construction in an efficient and cost effective manner;
2. Consider the Total Acquisition Cost as opposed to only the lowest invoice price;
3. Eliminate redundant and low value added activities throughout the procurement cycle;
4. Reduce risk and potential conflicts internally and externally;
5. Maximize openness, accountability and transparency in all purchasing decisions;
6. Make procurement decisions defensible when facing public criticism, trade or legal challenges;
7. Establish inclusive, consistent processes related to selecting and working with suppliers that will enhance mutual trust and working relationships;
8. To promote and maintain the integrity of the procurement process and the controls necessary for a public institution and the associated Supply Chain Guidelines hereto attached as Appendix 2. While not applicable to the DNSSAB or NDHC*, this policy shall consider the Broader Public Sector Procurement Directive issued by the Management Board of Cabinet July 2011 as applicable. (**The Broader Public Sector Accountability Act, 2010 and Ontario Regulation 219/11 made under the Act exclude some entities from the definition of publicly funded organizations. This includes district social services administration boards established under the District Social Services Administration Boards Act.*)
9. Work to continuously improve procurement procedures.

ROLES AND RESPONSIBILITIES

- 1) DNSSAB and NDHC Board responsibilities:
 - a) Approve corporate policies and a Supply Chain Code of Ethics governing procurement (see Attachment 1).
 - b) Approve governance policies related to delegated authority to ensure the efficient operation of the organization.
 - c) All acquisitions or disposal of Real Property shall be presented to the Board for consideration and supported by a formal Board resolution, *regardless of delegated approval authority limits.*
 - d) Board approval shall be required where:
 - i) A Contract's Total Acquisition Cost is greater than **both** CAO/CEO's Approval Authority **and** the Board approved Budget;
 - ii) A Contract amendment would cause that Contract to exceed **both** the CAO/CEO's Approval Authority **and** the Board approved Budget;
 - iii) The Total Acquisition Cost of a Direct Negotiation Good, Service or Construction exceeds the CAO/CEO's Approval Authority.

GENERAL INFORMATION

Delegation of Authority and Procurement Method

The Approval Authority and Procurement Method hereto attached as Schedule A outlines both the delegated authorities that may be authorized to commit the DNSSAB and NDHC to any procurement and the method of procurement that must be utilized at each approval limit.

Prior to commencement, any procurement of Goods, Services or Construction must be approved in accordance with Schedule A.

Direct Negotiation

The Direct Negotiation hereto attached as Schedule B outlines the circumstances under which Direct Negotiation shall be authorized. Direct Negotiation shall include single or sole sourcing options. For all instances where Direct Negotiation is pursued, a Direct Negotiation form must be completed by the Requisitioning Department, approved at the CAO/CEO level, and a copy kept on file by the Contract & Purchasing Specialist.

Excluded Goods and Services

Items that are exempt from the requirements of the Purchasing Policy because they are recurring or non-competitive expenditures are listed in Schedule C – Excluded Goods and Services.

Procurement in Emergencies

If an Emergency exists requiring the immediate procurement of Goods, Services or Construction, the CAO/CEO or a Director may requisition the required Goods, Services or Construction by the most expedient and economical means available, notwithstanding any other provision of this policy.

For all Emergency purchases, an information report outlining the circumstances of the procurement must be submitted by the requisitioning Department Director to the Board at its next scheduled meeting.

Note: Failure to plan and allow sufficient time for a competitive procurement process does not constitute an emergency. However, if the Ministry directs funding to DNSSAB to be expended within a timeline that prohibits the use of a Public Procurement Method, then an Emergency situation shall apply and the above process shall be followed.

Co-operative Purchasing

The DNSSAB and NDHC shall participate with other government agencies or public authorities in co-operative purchasing where it is in the best interest of the DNSSAB

and/or NDHC to do so. The decision to participate in co-operative purchasing agreements will be made by the appropriate Approval Authority as established in Schedule A.

Transfer Payments

In some instances, the Ministry provides funding through Transfer Payments which must be directed to a particular group or under prescribed circumstances. Some examples include:

- Funding received for Child Care Providers;
- Funding received to retrofit apartment complexes;
- Ontario Works client benefits

Because the funding is prescribed by the Ministry's regulations, it will not be possible to pursue a Public Procurement Process.

Contractual Agreement and Administration

All Goods, Services and calls for Construction being purchased through a Public Procurement Process shall be approved by the CAO/CEO or their Designate prior to being released publicly, and prior to Bid Award.

DNSSAB Contracts shall be reviewed by the Contract & Purchasing Specialist prior to being signed by the CAO or their Designate. NDHC contracts shall be reviewed by the Corporate Assets Supervisor prior to being signed by the CEO or their Designate.

Prior to Contract signing, Directors are required to initial every page of their respective Contracts. Directors are responsible for determining that:

1. The requirements identified within this Policy have been met;
2. The document is routed appropriately for review;
3. The document is consistent with the current DNSSAB/NDHC strategic plan, business plan, Budget, collective agreement, employment contracts, and mandated outcomes.

All Contracts, including Transfer Payment Agreements, must be signed by the CAO/CEO or their Designate. The CAO/CEO shall have the authority to sign Transfer Payment Agreements on behalf of the DNSSAB/NDHC in accordance with Ministry guidelines even if such Transfer Payment Agreements exceed the CAO/CEO's Approval Authority.

Prior to the provision of Goods, Services or Construction and for the entire duration of a Contract, the Authorized Person shall ensure that the Supplier has provided the required evidence of insurance, and any required security and/or a Certificate of Clearance from the Workplace Safety and Insurance Board ("WSIB") as the Contract requires.

Unsolicited Quotations or Proposals

All unsolicited quotations or proposals submitted to the DNSSAB shall be addressed by the Unsolicited Quotations and Proposals Policy, FIN/ADM 07.

Surplus and Obsolete Goods

All surplus and obsolete goods shall be addressed by the Disposal of Assets Policy CORP-02.

PROHIBITIONS

The following shall be considered **prohibited actions** under the Purchasing Policy:

1. Under no circumstances will DNSSAB or NDHC acquire Goods, Services or Construction from any DNSSAB or NDHC Board member, or Employees at or above the level of Supervisor.
2. No procurement of Goods and Services or any arrangements with respect to the procurement shall be made where quantity or delivery is divided or in any other manner arranged so that the price or value of Goods and Services to be acquired or the individual estimated value of Goods to be disposed is artificially reduced. Without limiting the foregoing, where Goods and Services of the same kind or type are required in connection with one project, all of those Goods and Services shall be included in determining the price or value for the purposes of this policy.
3. No preferences shall be shown or taken into account in acquiring Goods, Services or Construction on behalf of the DNSSAB or NDHC.
 - a. *Exception:* DNSSAB and NDHC recognize that in order to best serve its citizens within its unique geographic district, its procurement practices may occasionally warrant circumstances under which minor preferences may be given. A preference may be geographical, cultural, linguistic, social, etc. in nature. Those circumstances must be for the sole purpose of best meeting the interests of our citizens (not the interests of DNSSAB and/or NDHC). Additionally,
 - i. The preference and justification must be clearly stated in the competitive procurement process documents (e.g. Request for Quotation, Request for Proposal, etc.); and
 - ii. The weight assigned to a preference must be included in the evaluation section; and
 - iii. The weight assigned to the preference must not exceed 15% of the total evaluation score; and
 - iv. Preferences shall not be considered post-evaluation.

4. Employees shall abide by the DNSSAB Conduct and Behaviour Policy and Employees and Board members shall not engage in any activity deemed to be a Conflict of Interest, especially throughout the procurement process.

DISCIPLINE

Breaches of this policy by employees may be subject to the disciplinary action in accordance with principles and practices of the DNSSAB/NDHC.

SCHEDULES & APPENDICES

1. Schedule A - Approval Authority and Procurement Method
2. Schedule B - Direct Negotiation
3. Schedule C – Excluded Goods and Services
4. Appendix 1 - Definitions
5. Appendix 2 – Supply Chain Code of Ethics

SCHEDULE A: APPROVAL AUTHORITY AND PROCUREMENT METHOD

INTENT OF SCHEDULE

To establish the approval authorities, monetary limits and their corresponding required procurement methods for DNSSAB and NDHC.

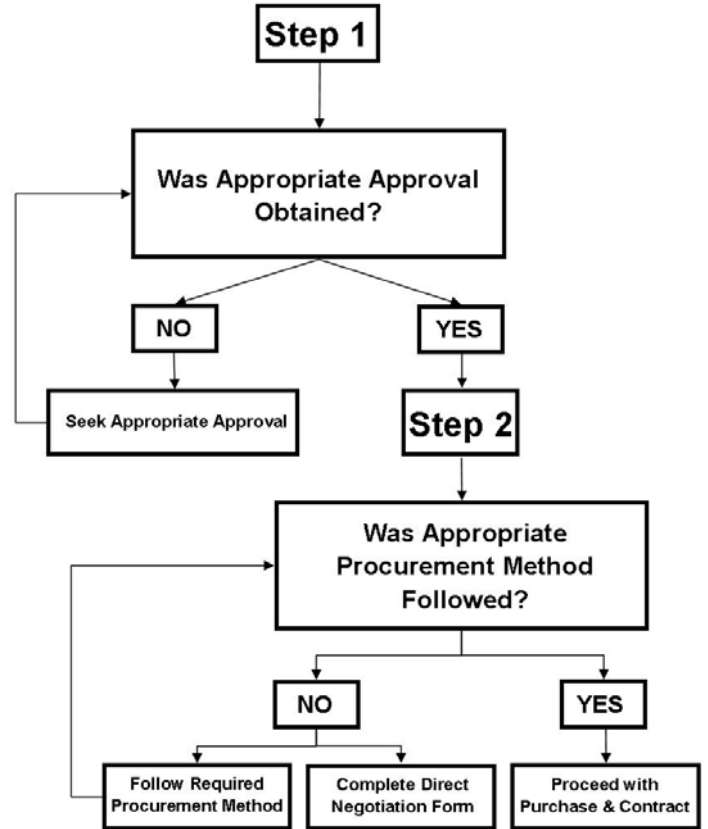
Process

The Purchasing Policy requires a two-step process before any purchases can be made.

Step 1 is the Approval Authority which indicates who the purchasing authority is, based on a total procurement amount (see Table 1, a & b).

After the appropriate authority level has been sought, Step 2 is the Procurement Method. This indicates the type of procurement method required at the total procurement amount (see Table 2).

Both Step 1 and Step 2 must be completed before a purchase can be made. A decision tree is included on the right to guide decision making for staff. Any questions about the appropriate procurement process to follow should be directed to the Contract & Purchasing Specialist.



APPROVAL AUTHORITY SCHEDULE

Table 1 a) Approval Limits (All Departments except Housing Operations)

Approval Authority Schedule Purchase of Goods, Services, Construction and Transfer Payments	
Delegated Purchasing Authority Level	Approval Authority
Supervisors	\$2,000
Managers	\$25,000
Directors	\$75,000
Chief Administrative Officer	\$300,000
Board	> \$300,000

Table 1 b) Housing Operations-Specific Approval Limits

Approval Authority Schedule for Housing Operations Purchase of Goods, Services, Construction and Transfer Payments	
Delegated Purchasing Authority Level	Approval Authority
Maintenance Officer/Capital Works Officer	\$2,500
Supervisors	\$10,000
Managers	\$25,000
Directors	\$75,000
Chief Executive Officer	\$300,000
NDHC Board	> \$300,000

METHOD OF PROCUREMENT

Table 2 Method of Procurement

Method of Procurement Purchase of Goods, Services and Construction	
Total Acquisition Cost	Procurement Method
\$0 - \$4,999	Purchase may be carried out by the requisitioning department in accordance with a commitment to obtaining best value for the organization corporate Purchasing Card.
\$5,000-\$24,999	Minimum of one quote. Competitive quotes are at the discretion of the requisitioning Department but are not required. The contract award will be made to the lowest compliant quotation when multiple quotes are requested.
\$25,000-\$99,999	Requisitioning Department shall solicit a minimum of three written quotes.
> \$100,000	Contract & Purchasing Specialist, in consultation with the requisitioning Department shall coordinate an open Request for Proposal or Request for Tender. Public advertising required.

ADDITIONAL CONSIDERATIONS

Temporary Assignment of Delegated Authority

An Employee can temporarily assign their delegated authority level to another Employee within the organization, subject to the CAO/CEO approval. Such assignments shall be made with the understanding that when Approval Authority is temporarily assigned, the Employee to whom the purchase is delegated bears responsibility for that purchase.

Multi-Year Commitments

All Goods, Services, Construction or Transfer Payments which shall be for a duration of greater than one (1) year shall be approved at the threshold specified above for the entire cost over the duration of the Goods, Services, Construction or Transfer Payments. For example, a three (3) year purchase at \$40,000/year would need to be approved at the \$120,000 approval level.

SCHEDULE B: DIRECT NEGOTIATION

INTENT OF SCHEDULE

To establish the circumstances under which direct negotiation (sole sourcing or single sourcing) shall be authorized.

STANDARDS OF APPLICATION

A Direct Negotiation procurement process shall only be used in particular circumstances. In general, the procurement methods outlined in the Purchasing Policy and Schedule A – Approval Authority and Procurement Method shall be the primary method of purchasing Goods, Services and Construction.

Direct Negotiation may be used if one or more of the following conditions apply.

1. Single Sourcing

- a. An attempt to purchase the required Goods and Services has been made in good faith using a method other than Direct Negotiation (i.e. Request for Proposal, Request for Tender, etc.) which has failed to identify a successful supplier and it is not reasonable or desirable that a further attempt to purchase the Goods or Services be made using a method other than Direct Negotiation.
- b. The Goods and Services are required as a result of an Emergency, which would not reasonably permit the use of a method other than Direct Negotiation.
- c. The required Goods and Services are to be supplied by a particular vendor or supplier having special knowledge, skills, expertise or experience, which others do not have.
- d. The standardization or compatibility of a purchase with existing equipment, technology, product standards, facilities or service is a paramount consideration.
- e. Where Goods or Services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through a competitive procurement process could reasonably be expected to compromise DNSSAB and/or NDHC confidentiality, cause economic disruption or otherwise be contrary to the public interest.
- f. Where a Contract is to be awarded under a cooperation agreement that is financed, in whole or in part, by an international cooperation organization,

only to the extent that the agreement between the entity and the organization includes rules for awarding Contracts that differ from the obligations set out in the Purchasing Policy.

- g. Where construction materials are to be purchased and it can be demonstrated that transportation costs or technical considerations impose geographic limits on the available supply base, specifically in the case of sand, stone, gravel, asphalt, compound and pre-mixed concrete for use in the construction or repair of roads.
- h. Where compliance with the competitive procurement provisions set out in the Purchasing Policy would interfere with the DNSSAB's and/or the NDHC's ability to maintain security or order or to protect human, animal or plant life or health.

2. Sole Sourcing

- a. The required Goods and Services are reasonably available from only one source by reason of one or more of the following:
 - i. Scarcity of supply in the market;
 - ii. A statutory or market based monopoly;
 - iii. Existence of exclusive rights held by any supplier (patent, copyright, license);
 - iv. The need for compatibility with Goods and Services previously acquired and there are no reasonable alternatives, substitutes or accommodations;
 - v. A need to avoid violating warranties and guarantees where service is required.
- b. The required Goods and Services will be additional to similar Goods and Services being supplied under an existing contract.
- c. Where there is an absence of competition for technical reasons and the Goods or Services can be supplied only by a particular supplier and no alternative or substitute exists.
- d. For the purchase of Goods on a commodity market.
- e. For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor.
- f. For work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work.
- g. For a contract to be awarded to the winner of a design contest.
- h. For the procurement of a prototype of a first Good or Service to be developed in the course of and for a particular contract for research,

experiment, study or original development, but not for any subsequent purchases.

- i. For the purchase of Goods under exceptionally advantageous circumstances such as bankruptcy or receivership but not for routine purchases.
- j. For the procurement of original works of art.
- k. For the procurement of subscriptions to newspapers, magazines or other periodicals
- l. For the procurement of real property.

In such instances where Single or Sole Sourcing is pursued, a Direct Negotiation Form is to be completed by the requisitioning Department outlining the reasons for pursuing Direct Negotiation. The onus shall be on the requisitioning Department to substantiate their reasoning in compliance with the allowable Direct Negotiation circumstances as outlined in Schedule B – Direct Negotiation.

Any Direct Negotiation Form must be signed by the Authorized Person, and the CAO. For Direct Negotiation items at a total dollar value greater than the CAO's Approval Authority, Board approval shall be required in the form of a resolution and the Board Chair must sign the Direct Negotiation Form.

The fully executed Direct Negotiation Form shall be kept on file by the Contract & Purchasing Specialist and shall accompany the Contract where possible. Any time Direct Negotiation is pursued, the requisitioning Department must negotiate to obtain the best value in the circumstances for NDHC and the DNSSAB.

SCHEDULE C: EXCLUDED GOODS AND SERVICES

INTENT OF SCHEDULE

To list items that are exempt from the full requirements of the Purchasing Policy because they are recurring or non-competitive expenditures.

STANDARDS OF APPLICATION

The following purchases of Goods and Services are excluded from the Procurement Method portion of the Purchasing Policy. Please note that the appropriate Approval Authority must still be sought before a purchase can be made.

1. Training and Education including:
 - a. Conferences, conventions, workshops, courses and seminars;
 - b. Newspaper or magazine subscriptions, periodicals;
 - c. Memberships, association fees.
2. Refundable Employee expenses including:
 - a. Meal allowance
 - b. Travel expenses & accommodations
3. Employer's general expenses including:
 - a. Payroll deduction remittances
 - b. Medical documentation/forms
 - c. Insurance premiums
 - d. Tax remittances
 - e. Refunds and overpayments
4. Licenses, certificates and other approvals required.
5. Ongoing costs, including maintenance, for existing computer hardware and software.
6. Professional and Special Services including:
 - a. Special tax, accounting and audit services, and advice from Board approved auditor
 - b. Insurance and insurance brokers
 - c. Legal services on individual files
 - d. Legal services on individual files where the Board contracted solicitor is unavailable, in a conflict of interest situation or does not possess the expertise required
 - e. Medical, clinical and laboratory services
 - f. Confidential items (e.g. investigations, forensic audits)
 - g. Witness fees
 - h. Counseling fees
 - i. Group benefit plans
7. Professional and special services

- a. Committee fees
- b. Honorariums
- 8. Utilities including:
 - a. Water
 - b. Sewer
 - c. Natural Gas
 - d. Electricity
 - e. Postal
 - f. Communication Infrastructure Services
- 9. Real property interest
 - a. All real estate transactions including lease or sale of property
 - b. Appraisal fees
- 10. Advertising which shall include but not be limited to radio, television, newsprint or online media
- 11. Entertainers or public speakers for special events
- 12. Banking services including but not limited to investments

APPENDIX 1 – DEFINITIONS

Definitions

The words and phrases listed below when used in this policy shall have the following meanings ascribed to them:

“Annual Acquisition Cost” means that portion of the Total Acquisition Cost that relates to the current year;

“Approval Authority” means the dollar value at which an Authorized Person is authorized to make a purchase, as outlined in Schedule A.

“Authorized Person” means an Employee to whom purchasing authority up to a certain dollar amount has been delegated pursuant to Schedule A.

“Award” means authorization to proceed with purchase of Goods, Services and/or Construction from a chosen supplier.

“Bid” means an offer or submission from a supplier or proponent in response to a Bid Request.

“Bid Request” means a formal solicitation by DNSSAB or NDHC for Bids that is not done through a Public Procurement Process due to its low dollar threshold in accordance with the appropriate Procurement Method as outlined in Schedule A, or is an excluded Goods, Service or Construction as noted in Schedule C.

“Board” means the Board of Directors of the District of Nipissing Social Services Administration Board or the Nipissing District Housing Corporation, as the context may require.

“Budget” means the Board approved Department budget(s) including authorized revisions.

“Chief Administrative Officer” or **“CAO”** means the head of operations at the DNSSAB, their designate or any successor position thereto.

“Chief Executive Officer” or **“CEO”** means the head of operations at the NDHC, their designate or any successor position thereto.

“Conflicts of Interest” Employees and Board members shall not engage in any business or transaction or have a financial or personal interest, direct or indirect, which is incompatible with the proper discharge of their duties, or which would impair their judgement or action as a DNSSAB Employee or DNSSAB/NDHC Board member. Refer to the Conduct & Behaviour Policy for details

“Construction” means a construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, soil investigation, the supply of products and materials and the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building,

structure or other civil engineering design or architectural work, but does not include professional services related to the construction Contract unless they are included in the specifications for the procurement.

“Contract” means any binding agreement signed by the CAO/CEO or their Designate that creates an obligation to provide Goods, perform Services, complete Construction work or enter into a Transfer Payment Agreement as authorized in accordance with this policy. Basic elements required in a Contract include: mutual assent expressed by a valid offer and acceptance, adequate consideration, capacity, and legality.

“Department” refers to the following organizational units led by a member of senior management: Employment and Social Services, Emergency Medical Services, Children’s Services, Housing Services, Housing Operations and Corporate Services.

“Designate” means a person authorized by the CAO or CEO or respective Director to act on their behalf, for the purpose of this policy;

“Direct Negotiation” means a non-competitive procurement process, in the form of sole sourcing or single sourcing, which shall only occur under special circumstances as outlined in the attached Schedule B.

“Director” refers to the position title who has responsibility and authority over a Department.

“DNSSAB” refers to the District of Nipissing Social Services Administration Board.

“Emergency” means a situation, or threat of an impending situation, which may affect the environment, life, safety, health and/or welfare of the general public, the Board, volunteer or an employee while acting on the DNSSAB’s or NDHC’s behalf, or to prevent serious damage, disruption of work, or to restore or to maintain essential service to a minimum level, or where funding has been directed by the Ministry to be expended within a timeline that prohibits the use of a Public Procurement Method.

“Employee” means a person employed by the DNSSAB, to do work for the DNSSAB and/or NDHC.

“Goods” means raw materials, products, equipment and other physical objects of every kind and description or moveable property including the cost of installing, operating and maintaining or manufacturing such moveable property or intangible Goods such as software.

“Housing Operations” means the department responsible for NDHC property management and tenant services.

“In House Bid” means a bid made by one or more internal staff or affiliates to compete with external entities for procurement opportunities by formally providing a submission in response to a public bid solicitation.

“Ministry” means a governmental organization of Canada, headed by a minister that manages a specific sector of public administration.

“Multi-Year Commitment” means a Contract for Goods, Services or Construction which has a duration longer than one year.

“NDHC” refers to the Nipissing District Housing Corporation.

“Procurement Method” means the type of procurement method required at a specified procurement amount, which shall be in accordance with Schedule A.

“Purchase Order” means a written confirmation, provided by the Finance Department, between DNSSAB or NDHC and the supplier to supply specific Goods, Services or a specific type of Construction defined by such things as cost, time period and location(s).

“Purchasing Card” means a credit card issued to purchase Goods and Services of a low dollar value in accordance with the limits set out in Schedule A.

“Professional Services” means persons having a specialized knowledge or skill for a defined Service requirement including:

- a) Architects, surveyors, appraisers, accountants, engineers, designers, management and financial consultants; and
- b) Firms or individuals having specialized competence in environmental, planning or other disciplines.

“Public Procurement Process” means the process of acquiring goods, services, or works from an external source using a competitive bidding process which is advertised, or publicly posted, such as Request for Proposal, Request for Tender or Expression of Interest.

“Real Property” means land and any buildings or structures attached directly to it.

“Services” means services of all kinds, including but not limited to labour, Construction, maintenance, professional and consulting services save and except those services to be delivered by an officer or employee of DNSSAB in accordance with the terms of employment.

“Total Acquisition Cost” means an evaluation of quality and service in the assessment of a bid and the sum of all costs including purchase price, all taxes, warranties, local service costs, life cycle costs, time of completion or delivery, inventory carrying costs, staff training, operating, licensing and disposal costs for determining the lowest compliant bid.

“Transfer Payment” means one-way funding from a government to an individual, an organization or another government for which the government making the transfer does not:

- a) Receive any goods or services directly in return, as would occur in a purchase/sale or other exchange transaction;
- b) Expect to be repaid in the future, as would be expected in a loan; or
- c) Expect a direct financial return, as would be expected in an investment.

INTENT OF APPENDIX

To ensure an ethical, professional and accountable Supply Chain (procurement process).

STANDARDS OF APPLICATION

1. Personal Integrity and Professionalism

All employees of the District of Nipissing Social Services Administration Board involved with purchasing or other supply chain-related activities must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all supply chain activities within and between the DNSSAB and NDHC, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. All employees must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products.

2. Accountability and Transparency

Supply chain activities must be open and accountable. In particular, contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for public money. All employees must ensure that public sector resources are used in a responsible, efficient and effective manner.

3. Compliance and Continuous Improvement

All employees involved in purchasing or other supply chain-related activities must comply with this Code of Ethics and the laws of Canada and Ontario. All employees should continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading practices.

BRIEFING NOTE CS03-21

For information For Approval

Date: February 24, 2021

Purpose: Early Years & Childcare Sector Funding – Reconciliations Update

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Reviewed by: Catherine Matheson, CAO

Briefing Note CS03-21 is provided to the District of Nipissing Social Services Administrative Board (DNSSAB) for information purposes.

BACKGROUND:

On April 22, 2020, the Board received Briefing Note CS01-20 related to COVID-19 Children's Services Update, which described the actions taken by the Children's Services Department in response to the COVID-19 pandemic.

On May 27, 2020, the Board received Briefing Note CS04-20 related to the Child Care Sector Funding-Ontario's Sustainability Approach that described Ontario's plan to support financial sustainability across the early years and child care sector and the retroactive decision made by the Ministry of Education. MOTION: #2020-73 That the District of Nipissing Social Services Administrative Board (DNSSAB) accepts Briefing Note CS04-20 and that the DNSSAB Board send a letter to Minister Stephen Lecce requesting that the decision to retroactively implement Ontario's Plan to support financial sustainability within the early years and child care sector be reconsidered and implemented as of May 1, 2020, was passed.

On June 1, 2020, in accordance with MOTION: #2020-73 a letter was sent to Minister Stephen Lecce on behalf of the Board.

On June 24, 2020, the Board received Briefing Note CS06-20 related to the provincial funding approach as it relates to the closure and reopening periods for the EarlyON and child care sector.

On September 23, 2020, the Board received Briefing Note CS07-20 related to the Early Years & Child Care Sector Funding which provided an update related to the funding approach that was designed to support the needs of the early years and child care sector during the closure period (March 17th to June 11th) and the reopening period (June 12 to August 31st). Furthermore, it provided an overview of the Ministry's requirements regarding the reconciliation process for the above noted periods as well as for emergency child care services (March 22nd to June 26th).

CURRENT STATUS/STEPS TAKEN TO DATE:

Three reconciliations were completed for the period between March 17th and August 31st:

- 1) Closure Period: March 17th to June 11th
- 2) Reopening Period: June 12th to August 31st
- 3) Emergency Child Care - March 22nd to June 26th

These reconciliations are in the process of being reviewed and finalized by the Ministry and the Ministry is currently estimating an overall funding recovery of approximately \$1.9M from the Children's Service 2020 Budget.

To align with the Ministry's sustainability plan, reconciliations of the above noted periods were also completed with all early years and child care agencies that hold a current purchase of service agreement with DNSSAB. The reconciliations included all funding sources related to the delivery of licensed child care services (centre based, home child care and emergency child care), EarlyON child and family centres, and special needs resourcing services.

The intent of the reconciliations was to ensure that all programs and services remained sustainable throughout the pandemic. When deficits were noted, an additional sustainability allocation was forward to agencies. In instances where surpluses were noted, a process to recover funds was initiated. Instead of asking agencies to issue an actual payment, DNSSAB Clerks created a credit memo for the amount owing within the financial system. Any funding that was then scheduled for payment to the agency was instead applied against this credit memo, thereby reducing the actual funding sent to the service provider. The issued credit memo remained in place until the balance was recovered in full.

As agency reconciliations were completed, amended agreements were created to reflect the adjusted 2020 funding allocations. Once the amended agreements were fully executed, regular monthly/quarterly allocations resumed for all early years and child care service providers.

On January 20, 2021, the Ministry of Education released a memorandum that included details regarding funding and emergency child care reporting requirements for the week of January 4th to the 8th. A budget template and funding parameters were also provided. Over the next few weeks, DNSSAB staff will be working with the licensed child care providers that delivered emergency child care services during that week in order to complete the Ministry's reconciliation process by February 26, 2021.

On February 2nd, the Ministry released a memo announcing the provincial child care and early years \$66M re-investment plan for January to March 2021. This funding is being provided in addition to the 2021 funding allocations, to support increased costs of operating child care and EarlyON child and family centres during the COVID-19 outbreak. DNSSAB will be receiving an allocation of \$ 510,742 as part of this re-investment plan. In turn, this funding will be distributed to service providers through an application process.

FINANCIAL IMPLICATIONS:

As mentioned earlier in this report, the reconciliations are in the process of being reviewed and finalized by the Ministry and the Ministry is currently estimating an overall funding recovery of approximately \$1.9M from the Children's Service 2020 Budget. With that said, the \$1.9M recovery will be pulled from funding made available by both slippage and recoveries as a result of provincial closures and federal funds supplementing the early years and child care sector in 2020. There is no financial impact to the Board as a result of the reconciliations.

For the closure and reopening periods (March 17th to August 31st) all funding surpluses incurred by early years and child care agencies beyond the approved sustainability and reopening plans were recovered. Agencies that incurred a deficit during these periods received financial support in accordance with the sustainability plan.

RISK IDENTIFICATION AND MITIGATION:

The administrative burden associated to the Ministry's reporting requirements continues to be substantial and has had a great impact on DNSSAB and service providers.

Service providers must continue to research and take advantage of opportunities provided through the [Federal COVID-19 Economic Response Plan funding](#) as well as the provincial

opportunity provided through the [Ontario Small Business Support Grant](#) in order to continue receiving provincial supports.

As the province is still functioning in a pandemic, early years and licensed child care services have not returned to “business as usual”. Service providers continue to follow the enhanced precautions to try to reduce the spread of COVID-19 within the sector. Concerns about the sustainability of programs continues to be at the forefront as many programs are experiencing low enrolment (most programs have not returned to pre-COVID levels) and lack of staff to support reopening of programs while maintaining enhanced requirements.

There are also concerns about the sustainability of programs beyond March 31st as there has been no provincial or federal announcements of financial supports for this sector beyond this date.

COMMUNICATION PLAN:

DNSSAB Children’s Services Department continues to ensure that communication and messaging is handled in a transparent and proficient manner. Regular meetings with service providers continue to be scheduled to ensure that there is ongoing support and guidance provided.

NEXT STEPS:

DNSSAB staff continue to work closely with the early years and child care sector so that the early years and child care sector remains sustainable throughout this pandemic.

DNSSAB staff will also continue to work in collaboration with the Ministry to finalize the reconciliation process for all periods.