



ADMN-04: PURCHASING POLICY

REVISION HISTORY

Version	Description	Approval Date	Next Review Date	Authorization
2013	Purchasing Policy FIN/ADM 08 replaced Purchasing Policy FIN/ADM 01	16-Apr-2013	16-Apr-2018	Resolution #2013-73
2018-A	Purchasing Policy #CORP-01 to replace Purchasing Policy FIN/ADM 08	20-Feb-2018	20-Feb-2023	Resolution #2018-19
2018-B	Updated Purchasing Policy #CORP-01 (to include NDHC)	19-Dec-2018	19-Dec-2023	Resolution #2018-116
2021	Updates to Purchasing Policy	24-Feb-2021	24-Feb-2026	Resolution #2021-02
2023	Updates to Purchasing Policy	27-Sept-2023	27-Sept-2028	Resolution #2023-70
2025	Updates to Purchasing Policy	24-Sept-2025	24-Sept-2029	Resolution #2025-62

Purpose

This policy contains the rules for determining purchasing costs, authority and method along with the circumstances under which Contracts are to be executed.

Applicability

This policy covers all purchases related to Goods, Services, construction and/or real property, excluding unsolicited quotes or proposals, which the Unsolicited Quotes and Proposal policy shall govern; purchases made on behalf of Ontario Work clients, which the Ontario Works Act shall govern; rental arrangements for NDHC's residential properties, which NDHC policies and procedures shall govern; and the sale of assets or real property, which the Disposal of Assets policy shall govern and the sale of services.

This policy covers any Contract, agreement or other type of arrangement, whether prepared by DNSSAB or Vendor, that legally binds the DNSSAB or NDHC to a particular action, purchase, loan, funding, and/or administrative matter with a third party, excluding employment contracts, which the applicable HR policies or processes shall govern. The issuing of payments associated with an approved Contract, including any holdback, draw and/or progress payments, which are within the approved budget and Contract, are not subject to this Policy.

Principles

DNSSAB shall:

- Ensure purchases are completed efficiently and cost-effectively.
- Consider the Total Acquisition Cost for each purchase or the Total Expected Revenue for each revenue generating arrangement.
- Reduce any actual or potential conflict of interest and/or preferential treatment.
- Ensure that purchases are made in an open, fair, inclusive, accountable, defensible, and transparent manner.
- Have written Contracts which have clear and easy to understand terms and conditions.
- Control costs and mitigate against budget overruns and/or scope creep.
- Maintain compliance with all Applicable Laws and treaties.
- Prioritize Canadian suppliers in order to support local and smaller businesses.

Prohibitions

Under no circumstances will DNSSAB or NDHC purchase or contract directly with a DNSSAB or NDHC Board member or employee. Employees and Board members shall not engage in any activity which is or could be perceived to be a conflict of interest.

Discipline

Employees who breach this policy may be subject to disciplinary action in accordance with the principles and practices of the DNSSAB/NDHC.

Schedules

Schedule A – Purchasing

Schedule B – Direct Negotiations

Schedule C – Contracting

Schedule D – Definitions

SCHEDULE A: PURCHASING

Determining the Total Acquisition Costs

The following equation shall be used to calculate the TAC amount for purchase:

$$\text{TAC} = (\text{Sum of all Direct Costs}) * (\text{Initial Term} + \text{Extension Terms})$$

- Indirect costs should be considered, but they are not to be used in the calculation of the TAC amount.
- Quantity, term dates, delivery dates, or other artificial divisions or reductions **shall not** be made or arranged to affect the calculation of the TAC.
- An estimated TAC amount can be used to determine the appropriate purchasing authority and purchasing process as outlined below under **Purchasing Authority** and **Purchasing Process** sections.
- When an estimated TAC's actual or quoted amount exceeds the selected **Purchasing Authority** and/or **Purchasing Process** limit noted below, the original decision(s) shall continue unless the CAO determines otherwise.

Purchasing Authority

The Board delegates its authority to approve purchasing arrangements to the following employees:

Delegated Purchasing Authority	Estimated TAC
Maintenance Officer/Capital Works Officer	Up to \$2,500
Supervisors	Up to \$10,000
Managers	Up to \$25,000
Directors	Up to \$75,000
Chief Administrative Officer	Up to \$300,000
Board	\$300,000 or greater

Exemptions from Purchasing Authority

The Board delegates its authority to approve the following types of purchasing arrangements to the CAO regardless of the estimated TAC amount:

- Lease or rental arrangement (real property) renewals or extensions.
- All Transfer Payments
- All Direct Payments
- All ambulance or emergency response vehicle purchases
- All insurance purchases (premiums and deductibles)

Purchasing Real Property

The Board shall approve all real estate (land and/or building) purchases.

Purchasing Restriction

The CAO can restrict or prevent the purchase of Goods and/or Services from a country or nation where there is a trade dispute or armed conflict between Canada and that country.

Delegation of Purchasing Authority

Employees can temporarily delegate their Purchasing Authority level to another employee within the organization, subject to the CAO's approval. Such assignments shall be made with the understanding that when the Purchasing Authority is temporarily delegated, the employee to whom the purchase is delegated bears responsibility for that purchase.

Purchasing Process

The Purchasing Authority shall authorize a competitive or non-competitive purchasing process as follows:

Purchasing Process	Estimated TAC
One (1) quote	Up to \$25,000
Three (3) quotes	Up to \$100,000
Public Procurement	\$100,000 or greater
Direct Negotiations	See Schedule B

Purchasing Preferences

Preference is limited to circumstances and/or events that are considered beyond DNSSAB's reasonable control or choice including but not limited to, changes in law, geography, cultural, linguistic, and/or social conditions or reasons.

- When the procurement method is *three (3) quotes*, the justification for a preference must be clearly outlined and documented within the solicitation document(s).
- When the procurement method is *Public Procurement*, the preference and its justification must be clearly outlined in the solicitation document(s) and:
 - The weight assigned to a preference must be included in the evaluation section; and
 - The weight assigned to the preference should not exceed 20% of the total evaluation score; and
 - Preferences will not be considered post-evaluation.

SCHEDULE B: DIRECT NEGOTIATIONS

A purchase can be eligible for Direct Negotiations with the approval of the Purchasing Authority and when one or more of the following conditions apply.

TYPE	CONDITIONS
Art	For the procurement of original works of art.
Bankruptcy	When Goods can be purchased under exceptionally advantageous circumstances such as bankruptcy or receivership but not for routine purchases.
Commodity	When Goods can be purchased on a commodity market.
Confidential	All matters of a confidential or privileged nature where disclosure through a Public Procurement could reasonably be expected to compromise confidentiality, cause economic disruption, or otherwise be contrary to the public interest.
Contractor	When a contractor is to perform work on the property according to the provisions of a warranty or guarantee concerning the property or the original work.
Design	For the winner of a design contest.
Emergency Purchase	Any purchase is deemed to have been made due to an Emergency.
Employee Training and Education Expenses	Conferences or conventions
	Memberships, association fees
	Subscriptions (newspaper, magazine, or periodicals)
	Workshops, courses and seminars
Employee Travel Expenses	Accommodations
	Meal allowance
	Transportation
Employer's general expense	Banking Services (including the borrowing and investment of money)
	Insurance premiums and deductibles
	Licenses, certificates and other approvals required
	Medical documentation/forms
	Medical supplies as approved and/or required by specific Ministry of Health guidelines
	Payroll deduction remittances
	Postal or courier fees
	Refunds and overpayments
	Routine vehicle expenses, including gas, tire rotation/change, oil change and winterization
	Tax remittances
	Telecommunications (soft phones, telephone, cell phone and internet services)
	Utilities (water, sewer, electricity, heat, air)
Failed Competitive	Where a Public Procurement failed to identify a successful proponent, and it is not reasonable or desirable that a further attempt be made.
General Supply	Where a department has an existing contract with a vendor that another department now requires.
Geographic Limits	When geographic limits on the available supply base and transportation costs impose additional costs for construction related projects.
Leasing and renting	Where the purchase is related to leasing or renting real property.
Lessor	For work to be performed on or about a leased item where the lessor has requested or agreed to perform the work.
Monopoly	Where only one source is available because of the scarcity of supply in the market, a statutory or market-based monopoly, and/or the existence of exclusive rights (patent, copyright, license).
Pre-Determined Payments	Any Direct Payments
	Any Transfer Payments

Professional and Special Services	Advertising (including radio, television, newsprint or online media)
	Appraisal fees
	Committee fees
	Confidential items (e.g. investigations, forensic audits)
	Counselling fees
	Cyber security
	Entertainers or public speakers for special events
	Group benefit plans
	Honorariums
	Insurance and insurance brokers
	Legal Services
	Medical, clinical and laboratory service
	Professional, consulting and/or special service
	Special tax, accounting, audit service, and advice from Board-approved auditors
	Witness fees
Prototype	For the initial purchase of a prototype.
Purchasing Groups	When it is in DNSSAB and NDHC's best interest (i.e., when there is a strong possibility of lower costs) to coordinate with other government agencies, public authorities, or other types of private cooperative purchasing groups.
Real Property	When the purchase is for real property.
Security	When this policy would interfere with the ability to maintain security or order or to protect human, animal or plant life or health.
Special Vendor	Where the required Goods and Services are to be supplied by a particular vendor with special knowledge, skills, expertise, and experience or for technical reasons that others do not have and where no alternative or substitute exists.
Standardization	When the paramount consideration is standardizing or compatibility with existing equipment, technology, software, product standards, facilities, or services.
Warranty	When there is a need to avoid violating a warranty and/or guarantee.

Where Direct Negotiations is pursued, a **written request** (i.e., email) or the completion of a **form**, as provided by the *Contract and Purchasing Specialist*, is to be completed by the requisition department's purchasing lead. The written request or form must be submitted to the *Contract and Purchasing Specialist* for review prior to submitting the request to the Purchasing Authority for authorization.

In all Direct Negotiations, it is the responsibility of the Purchasing Authority to make every effort to obtain the lowest possible TAC and best value from any selected Vendor.

SCHEDULE C: CONTRACTING

Contract Authority

The Board delegates its authority to execute Contracts to the following employees:

Delegated Contract Authority	Actual TAC/TER*
Supervisors	Up to \$10,000
Managers	Up to \$25,000
Directors	Up to \$75,000
Chief Administrative Officer	Up to 300,000
Board	\$300,000 or greater

*Determining Total Expected Revenue

For all revenue-generating arrangements, the following equation shall be used to calculate the TER amount to determine the Contract Authority:

$$\text{TER} = (\text{Fixed revenue} + \text{Estimated variable revenue} + \text{Administrative Fee}) * (\text{Initial Term} + \text{Extension Terms})$$

- Indirect costs should be considered, but they are not to be used in the calculation of the TER amount.
- Quantity, term dates, delivery dates, or other artificial divisions or reductions **shall not** be made or arranged to affect the calculation of TER.
- When an estimated TER's actual amount exceed the selected **Contract Authority's** limit noted above, the original decision(s) shall continue unless the CAO determines otherwise.

Exemptions from Contract Authority

The Board delegates its authority to execute the following types of Contracts to the CAO regardless of the actual TAC or TER amounts:

- All Contracts related to a Direct Payment
- All Contracts related to a Transfer Payment
- All lease or rental arrangements (real property)
- All insurance related arrangements (Coverage and Broker)
- All Administrative Contracts
- All Contracts for ambulance or emergency response vehicles purchases
- All revenue generating agreements

Rules for Contract Amendments or Change Orders

- When a contract amendment or change order increases the actual TAC or TER amount beyond the authority limit of the current Contract Authority, any current or subsequent amendment or change order must be signed by the appropriate employee (i.e., limit) based on the updated cumulative amount.

Delegation of Contract Authority

Employees can temporarily delegate their Contract Authority to another employee within the organization, subject to the CAO's approval.

SCHEDULE D: DEFINITIONS

That the words and phrases listed below when used in this policy shall have the following meanings:

"Administrative Contract" means any arrangement that is unrelated to a purchase or revenue generating, but which legally binds DNSSAB/NDHC in a manner; examples included, but are not limited to, non-disclosure, information/data sharing, terms of use, and/or affiliation agreements (i.e., practicums).

"Applicable Law" means any laws, statutes, regulations, by-laws, rules, declarations, ordinances, directions, directives, orders, and/or requirements of any federal, provincial, municipal, local and other governmental and quasi-governmental authorities, departments, commission and boards having jurisdiction over the subject matter herein.

"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.

"By-Law" means any by-law passed by the Board of Directors for DNSSAB or NDHC, as the context may require.

"Contract" means any negotiated and reciprocal legal arrangement between DNSSAB/NDHC and a third party for the purchase of Goods, Services or construction related matters; also includes any funding, loan, transfer payment agreement and/or Administrative Arrangement.

"Contract Authority" means the employee with the authority to bind DNSSAB and/or NDHC and sign a Contract.

"Cumulative Score" means a weighted average from the combination of the evaluator's scores from each stage in a Multi-Stage process as the final determinative for the recommendation for award.

"Direct Cost" means the monetary costs necessary for one (1) project or arrangement (revenue or purchase). Costs may include, but are not limited to: administrative, material, labor, equipment, currency exchange, delivery, disposal, insurance, inventory, lease, licensing, programming, rental, service, and warranty costs, taxes, a minimum contingency of 10%, and a reasonable yearly inflation rate after year one (i.e., 2.5%). It excludes any rebates or optional items that DNSSAB or NDHC may or can opt not to purchase.

"Direct Negotiation" is a non-competitive purchasing process with a pre-selected Vendor allowable only under the exceptional circumstances and conditions outlined in *Schedule B*.

"Direct Payment" means funding received from a ministry for purchasing prescribed Goods, Services, and/or construction-related matters where the funds must be expended within a timeline shorter than any purchasing process.

"Emergency" refers to situations that threaten or have damaged the environment, public health, safety, and/or welfare of individuals wherein only specific Goods and/or Services can eliminate or minimize any further damage or threats.

"Good" refers to any tangible chattels or personal property other than things in action and money, including, but not limited to, emblems, things attached to or forming part of the land or building, deeds and instruments related to the title or ownership of property; equipment, materials, supplies, tickets granting access to events, transportation, energy (regardless of its source), items needed for construction or fixture installation (on land, buildings, or structures), and hardware/software (computer and network related).

"Indirect Cost" refers to the risks associated with one (1) project or arrangement. Risks includes, but is not limited to: accessibility and stability of the company; the reputation of the company; suitability of the Goods and/or Services; compatibility of the Goods and/or Services; the quality of the Goods; life expectancy of the Good; payment terms; time of completion or delivery; environmental factors; health and safety implications; ethical business practices of the company; after-sale support; performance guarantees; start date; service availability; discount rates or other savings; trade-in value; and/or options and alternatives.

"Multi-stage" refers to an evaluation method used in RFPs and EOIs, where an evaluation committee reviews responses in specific stages, each with distinct requirements. Responses that have met the criteria for all stages are then ranked by their Cumulative Score, and the bidder with the highest Cumulative Score is recommended for award.

"Prequalification Request" is a non-binding purchasing process that allows companies or individuals to prequalify for a future competition by submitting information that will allow DNSSAB or NDHC to pre-assess their capability to perform the work. If determine capable, the company or individual will be invited to submit a bid or proposal if and once an EOI, RFQ, RFP, or RFT is issued. The term "PQR" has the same meaning.

"Public Procurement" means a purchasing process wherein the solicitation document is issued publicly and which any individual or company can submit a response. Usually, a public procurement will be in the form of one of the following: Prequalification Request, Request for Proposal, Request for Tender, or Request for Vendor of Record.

"Purchasing Authority" means the employee position which has the authority to approve a purchase.

"Request for Expression of Interest" means an invitational purchasing process in which the Scope of Work is undetermined as to the type, quantity, and quality of Goods and/or Services; a Multi-Stage approach is used to evaluate responses; "EOI" has the same meaning.

"Request for Proposal" means a Public Procurement purchasing process in which the Scope of Work is undetermined as to the type, quantity, and quality of Goods and/or Services; a Multi-Stage approach is used to evaluate responses; "RFP" has the same meaning.

"Request for Quotes" means an invitational purchasing process where the department invites companies and/or individuals to submit a quote based on a Scope of Work that is predetermined as to the required type, quantity, and quality of Goods and/or Services; a Two-Stage approach is used to evaluate responses; "RFQ" and "Request for Quotation" have the same meaning.

"Request for Tender" means a Public Procurement purchasing process in which the Scope of Work is predetermined as to the required type, quantity, and quality of Goods and/or Services. Responses are evaluated using a Two-Stage approach; "RFT" and "Tender" have the same meaning.

"Request for Vendor of Record" means the procurement process used for ad hoc, as-needed, but recurring purchases where the Scope of Work is predetermined as to the required quantity and quality and where the solicitation document invites companies and/or individuals to submit pricing and their qualifications; meeting mandatory requirements is the determinative factor for enrollment on a vendor of record registry; "RVR" has the same meaning.

"Scope of Work" means a department's needs, expectations, requirements, preferences, and/or deliverables for known or unknown Goods and/or Services.

"Services" encompasses the expectations, requirements, activities, milestones, and deliverables for project completion or delivery. This includes professional, consultative, technical, and artistic tasks, along with transportation, acquisition, and management of resources needed for success.

"TAC" means the sum of all Direct Costs and the assessment of the Indirect Costs, for the full duration of the intended or actual contract (including any extension terms), necessary for the Vendor to provide and/or complete the Scope of Work.

"TER" means total expected revenue generated for an arrangement where payment for Services is made to DNSSAB or NDHC.

"Transfer Payment" means one-way funding to a particular group, individual, organization and/or other public agency wherein the terms, conditions and/or recipients for the purchase, funding, loan, or payment have been prescribed or predetermined by the funding and/or budget criteria established by the ministry or Board.

"Two-stage" means the evaluation method used in an RFQ and RFT, wherein an evaluation committee will first review a response against mandatory requirements. If a response meets all mandatory requirements, an evaluation committee will rank responses by their total contract pricing to determine which bid submitted the lowest TAC. The lowest TAC is the determinative factor for the recommendation for award.

"Vendor" means the third party which has executed a Contract with DNSSAB and/or NDHC.