

**LOWER TRENT**  
CONSERVATION

# Purchasing Policy and Procedures



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## 1. PURPOSE AND OBJECTIVE

The purpose of this document is to establish policies and procedures that provide authority and guidelines for purchasing transactions made on behalf of Lower Trent Conservation.

## 2. PURCHASING PRINCIPLES

Efficient/Effective Acquisition: Lower Trent Conservation will acquire the necessary quality and quantity of products and services, including professional and consulting services in an efficient and cost-effective manner.

Open Market Purchasing: Acquisitions shall be undertaken using an open market procedure wherever practical.

All Costs Considered: Evaluating proposals and quotations will be done in a manner which considers all costs including quality of the product/service, location of vendor, operational costs, and disposal, rather than a decision based solely on the lowest purchase price.

Unsatisfactory Proposals: Proposals or quotations which do not meet the specifications, terms or conditions may be rejected.

Sustainability Ethic: Lower Trent Conservation will acquire necessary products and services with due regard for the preservation of the natural environment, incorporating recycled materials where applicable.

Confidentiality: Where requested by persons responding to requests for proposals, confidentiality concerning the proposal or quotation will be maintained. Once a contract award is made, any report or documentation concerning such award shall become a matter of public record. Any proprietary information contained within a proposal or quotation will be subject to MFIPPA.

Health and Safety: All contractors undertaking work for Lower Trent Conservation will be required to comply with applicable legislation including the *Occupational Health and Safety Act* and the requirements of the Workplace Safety and Insurance Board. In addition, contractors will be required to sign the LTC Contractor Health and Safety Procedures manual.

Accountability: Staff authorized to undertake purchasing functions on behalf of Lower Trent Conservation should be at all times cognizant of their responsibility to the Board of Directors, funding partners, and other members of staff.

## 3. PURCHASING POLICY AND PROCEDURES

- a. The Chief Administrative Officer/Secretary-Treasurer and/or Manager, Corporate Services are authorized by the Lower Trent Conservation Board of Directors to approve, within budgetary limits, the purchase, sale or rental of products, materials and services required to carry out the necessary programs, projects and operations of Lower Trent Conservation subject to policies and procedures outlined in this document.
- b. Non-Budgeted purchases that has the potential to affect the direction or financial results of Lower Trent Conservation may be reviewed and consulted upon by the Board of Directors.
- c. The Chief Administrative Officer/Secretary-Treasurer may designate purchasing authority to authorized staff.
- d. Agreements and Contracts awarded for goods or services with an annual budget of less than \$25,000 may be renewed or extended with approval of the Chief Administrative Officer.
- e. Where Lower Trent Conservation is administering finances for a specific project in conjunction with, or on behalf of external agencies, the policies and procedures outlined in this document will be followed.
- f. To facilitate accounting control over the Lower Trent Conservation budget, various account codes shall be assigned. Invoices for assigned account codes must be approved by the manager responsible for the program or project. It is the responsibility of the manager authorizing an invoice to ensure that the funds are available; this shall include verification that the expenditure is approved in the current year's budget and verification of commitments not yet completed that may affect available funds. The manager must also ensure that all necessary quotations and approvals required by the purchasing policies have been obtained and that the products and/or services are received and are satisfactory.
- g. Digital or other electronic transmission from which written copy can be obtained are acceptable for proposals and written quotations.
- h. It is the responsibility of the Manager, Corporate Services to ensure that the account code and the initials of the staff person responsible for the account code are affixed to the invoice before payment is processed.

#### **4. PROCUREMENT OF GOODS AND SERVICES and AUTHORIZATION LIMITS**

## 4.1. TYPES OF PROCUREMENT REQUESTS

RFI Request For Information	EOI / ROI Request For Information or Registration Of Interest	RFP / RFO Request For Proposal or Request For Offer	RFT Request For Tender	RFQ Request For Quotation
<ul style="list-style-type: none"> <li>• Purchaser does not have sufficient information to write a detailed request</li> <li>• Purchaser is not necessarily committed to buying</li> <li>• Likely to involve a further request before a final decision.</li> </ul>	<ul style="list-style-type: none"> <li>• Similar to an RFI</li> <li>• Often used as a screening or shortlisting tool</li> <li>• Purchaser is not necessarily committed to buying</li> <li>• Likely to involve a further request before a final decision.</li> </ul>	<ul style="list-style-type: none"> <li>• Purchaser seeks solutions-based submissions to meet their needs</li> <li>• Possibly no clear specification</li> <li>• Greater flexibility than an RFT</li> <li>• Suited to professional services.</li> </ul>	<ul style="list-style-type: none"> <li>• Purchaser has clearly defined criteria or specification</li> <li>• Judged on both price and qualitative factors</li> <li>• Purchaser is committed to buying.</li> </ul>	<ul style="list-style-type: none"> <li>• Purchaser has clearly defined criteria or specification</li> <li>• Judged primarily or solely on price</li> <li>• Purchaser is committed to buying.</li> </ul>

## 4.2. PURCHASING TABLE

Where it is estimated that the value for products and services, including professional or consulting services, required for a particular program/project will cost:

Purchase Value	Procurement Method	Requirement	Authorization
≤ \$999	Informal - at discretion of buyer		Manager approves
\$1,000 ≤ \$4,999	Informal - at discretion of buyer	<ul style="list-style-type: none"> <li>• Request for Information (RFI)</li> <li>• Written rationale provided</li> </ul>	CAO approves
\$5,000 ≤ \$24,999	<ul style="list-style-type: none"> <li>• Competitive - Invitational</li> <li>• Non-competitive (Closed)</li> </ul>	<ul style="list-style-type: none"> <li>• RFQ/RFP – at least 3 written quotes / proposals</li> <li>• Written rationale provided</li> </ul>	CAO approves
≥ \$25,000	Competitive: <ul style="list-style-type: none"> <li>• Invitational, or</li> <li>• Open – Public Tender</li> </ul>	<ul style="list-style-type: none"> <li>• RFQ/RFP/RFT - at least 3 written quotes / proposals</li> <li>• Evaluation Matrix Form</li> <li>• Board Report</li> </ul>	Board approves for the recommended selection
Construction Contracts ≥ \$50,000	Competitive: <ul style="list-style-type: none"> <li>• Open – Public Tender</li> </ul>	<ul style="list-style-type: none"> <li>• RFT</li> <li>• Evaluation Matrix Form</li> <li>• Board Report</li> </ul>	Board approves for the recommended selection

## 4.3. AUTHORIZATION TABLE

Staff Position	Authorized Procurement
Chief Administrative Officer	As per dollar value and within budget approved

Managers SP Program Coordinator Communication Specialist Conservation Lands Technician	
Finance and Information Technician	As per dollar value and within budget approved for: <ul style="list-style-type: none"> <li>• Office Supplies</li> <li>• Janitorial Supplies</li> </ul>
All Staff	Refuelling for LTC vehicles

Centralized purchasing of general office/janitorial supplies, technology and office equipment on behalf of Lower Trent Conservation are to be procured through designated Corporate Services staff, unless otherwise delegated by the Chief Administrative Officer/Secretary-Treasurer.

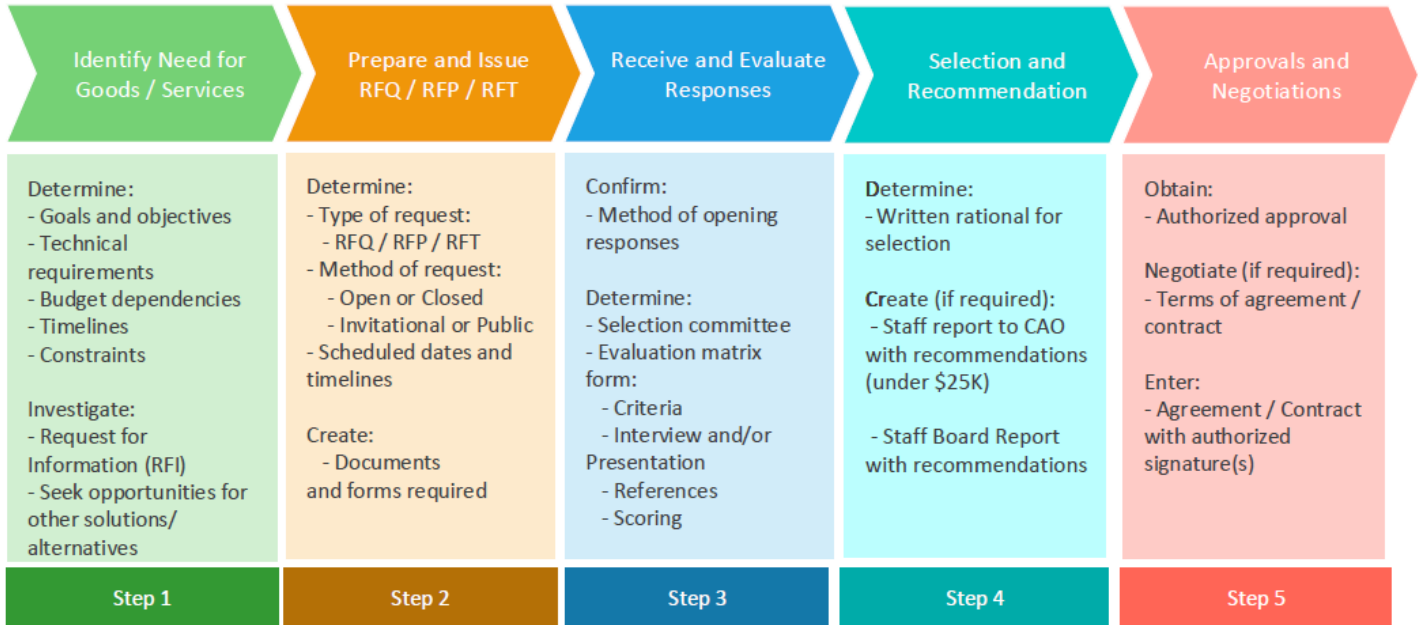
In the absence of the CAO, the Manager, Corporate Services is designated authorizer.

#### 4.4. THE TENDER PROCESS

- i. Appropriate Managers are responsible for preparing the tender package, including detailed specifications;
- ii. Tenders received must be routed to designated Corporate Services staff who will log and safeguard all tenders received;
- iii. Tenders shall be opened in the presence of the Chief Administrative Officer/Secretary-Treasurer or Manager, Corporate Services;
- iv. Selection process of the recommended tender and the reasons for accepting other than the lowest tender must be documented and retained for audit purposes;
- v. Under special circumstances (time constraints), a contract may be awarded based on an e-mail poll of the Board of Directors. Board members, when sending their response, will be requested to “reply to all.” The results of the e-mail poll will form part of the public record. The decision must be ratified at the following Board meeting.
- vi. With approval of the Chief Administrative Officer/Secretary-Treasurer, staff may approve additional expenditures on a contract, not to exceed 10% of the total cost, if a required task was not identified in the original approved proposal/quotation and the additional funding to cover the cost of the task is in the budget.

## 4.5. RFQ/RFP/RFT PROCUREMENT PROCESS CHART

Process for purchases equal to or greater than \$5,000.00



## 4.6. NON-COMPETITIVE PROCUREMENT

A non-competitive procurement process may occur when any of the following conditions apply:

- i. due to market conditions, products/services are in short supply;
- ii. there is only one known source of the product or service;
- iii. two or more identical low bids have been received;
- iv. the lowest bid substantially exceeds the estimated cost of the product or service;
- v. all bids received fail to meet the specifications, terms and conditions and it is impractical to issue another request for proposals;
- vi. the extension of the existing contract would prove more cost effective or beneficial;
- vii. similar work was completed by the supplier/consultant for the Authority in the past and/or the contract is an extension of the previous work completed;
- viii. a single source is recommended because it is more cost effective or beneficial to Lower Trent Conservation.

## 5. AUTHORITY PURCHASING CREDIT CARDS

- a. Authority credit cards may be issued to staff as authorized by the Chief Administrative Officer/Secretary-Treasurer.
- b. Credit cards are to be used only for official Lower Trent Conservation business.
- c. Credit cards are assigned in the cardholder's name and in Lower Trent Conservation's name. The cardholder is the only person authorized to use the assigned credit card and is responsible for all of its transactions.
- d. The cardholder is responsible for the security of the card, including the PIN (personal identification number) and to ensure that designated Corporate Services staff is advised of the up to date PIN number.
- e. A maximum \$1,500.00 per transaction limit on the use of credit cards shall apply.
- f. The Authority's maximum monthly limit is \$15,000.00 for the total of all credit card holder purchases.
- g. Cardholders are responsible to submit all credit card receipts, including e-purchases, to designated Corporate Services staff and provide appropriate purchase details (i.e., staff names related to purchase, event/project/program area for expense allocation).
- h. Cardholders are responsible for immediately notifying the Credit Card Company and Manager, Corporate Services of a lost or stolen credit card.

## 6. PROHIBITIONS OF THE PURCHASING POLICY

Employees **must not**:

- a. Acquire any goods and service for personal use through false representation of Lower Trent Conservation;
- b. Purchase or offer to purchase, on behalf of Lower Trent Conservation, any goods and services, except in accordance with this policy;
- c. Knowingly cause, permit or omit anything to be done or communicated to anyone which is likely to cause any potential vendor to have an unfair advantage or disadvantage in obtaining a contract/agreement for the supply of goods and services to Lower Trent Conservation or any other public agency or public body involved in the purchase of goods and services either jointly or in cooperation with Lower Trent Conservation;
- d. Knowingly cause, permit or omit anything to be done which will jeopardize the legal validity or fairness of any purchase of goods and services under this policy, or



which might subject Lower Trent Conservation to any claim, demand, action or proceeding as a result;

- e. Purchase or offer to purchase on behalf of Lower Trent Conservation, any goods and services from an 'associate' or LTC staff member, unless the extent of the interest of such employee has been fully disclosed and the purchase has been approved by the Chief Administrative Officer/Secretary-Treasurer. In the case where the purchase or offer to purchase is being made by the Chief Administrative Officer/Secretary-Treasurer, approval by the Chair is required.

For the purposes of this policy, the term 'associate' of an employee means:

- i. any partner of the employee;
  - ii. any trust or estate in which the employee has a substantial beneficial interest or as to which the employee serves as a trustee or in a similar capacity;
  - iii. any relative of the employee or member, including common-law relationships;
  - iv. any corporate body of which the employee beneficially owns, directly or indirectly.
- f. Lower Trent Conservation will not purchase or accept bids/proposals from, nor enter into contracts/agreement, nor extend a purchasing agreement or contract/agreement, with any party or contractor with whom the Lower Trent Conservation is engaged in unresolved litigation.

## 7. DEFINITIONS

**Agreement** means the formal written document that will be entered into at the end of the procurement process.

**Bidder** means the person/organization that is submitting a quote, proposal, or tender.

**Contract** means an obligation, such as an accepted offer, between competent parties upon a legal consideration, to do or abstain from doing some act. It is essential to the creation of a contract that the parties intend that their agreement shall have legal consequences and be legally enforceable. The essential elements of a contract are an offer and an acceptance of that offer; the capacity of the parties to contract; consideration to support the contract; a mutual identity of consent or consensus ad idem; legality of purpose; and sufficient certainty of terms.

**Competitive Procurement** means a purchase method applied to medium to high-risk and/or medium to high-dollar value procurements and has a set of procedures for

developing a procurement contract through a bidding or proposal process. The intent is to solicit fair, impartial competitive bids and can be invitational or open.

**Evaluation Criteria** means a benchmark, standard or yardstick against which accomplishment, conformance, performance and suitability of an individual, alternative, activity, product or plan is measured to select the best supplier through a competitive process. Criteria may be qualitative and/or quantitative in nature.

**Informal Procurement** means a purchase method that is of low-dollar and low-risk or routine purchases.

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

**Non-competitive Procurement** means the organization is unable to conduct a competitive procurement or get maximum value under competitive procurement. Documentation of reasoning for using this method and proper approvals obtained is necessary.

**Open Competitive Procurement** means the contractual acquisition (purchase or lease) by an organization of any good or service, which enables all suppliers to compete in a fair and open environment. In order to reach a large population of potential suppliers. A broad and common approach for tendering methods for posting competitive documents is used. Also known as '**Public Tender**'.

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

**Public Tender** means a publicly advertised solicitation of bids opened to the public (see **Open Competitive Procurement**).

**Request for Proposal (RFP)** means a procurement document that requests vendors to supply solutions for the delivery of complex products or services or to provide alternative options or solutions. It is a process that uses predefined evaluation criteria in which price is not the only factor.

**Request for Tender (RFT)** means a document used to request vendor responses to supply goods or services based on stated delivery requirements, performance specifications, terms and conditions. An RFT usually focuses the evaluation criteria predominantly on price and delivery requirements.

**Request for Quotation (RFQ)** means a document similar to a Request for Tender where an organization describes exactly what needs to be purchased and the evaluation is based solely on price.

## 8. PROCUREMENT DOCUMENTS AND FORMS LIST

All procurement related forms can be located within the file drive: <T:\ADMIN & GOVERNANCE\Admin Management\Forms & Templates – Blank\Financial Forms\Procurement>

In addition to screening prior procurements, the below resource documents and forms may be used:

- **Procurement Requests Documents – RFQ/RFP/RFT**

Although a standard template or form is ideal, procurement of goods and services change depending on the goals of a project or needs. Refer to past procurement requests as examples and modify to fit requirements of the current procurement and type of request.

The following categories/sections at minimal are to be included:

- 1) Background information – LTC information and purpose for issuing request
- 2) Specific requirements – details and additional information provided
- 3) Specific timelines – delivery deadline along with explicit dates and milestones if required
- 4) Evaluation criteria – how will selection and decision be made
- 5) Guidelines for submitting the quote / proposal / tender

- **Evaluation Criteria Matrix Form**

It is equally important to fairly evaluate the received proposals/responses. It is crucial to minimize the influence of human emotions and political positioning in vendor selection to arrive at a decision that is of the most value to the organization.

Individuals or the Evaluation/Selection Committee decide what criteria matters most to the goals and project. Including the evaluation process and criteria in the procurement request document allows bidders to understand exactly how they will be scored.

- If the evaluation is solely based on pricing, then the lowest quote would be awarded.
- If the evaluation is to utilize weighted scoring, it will be crucial to identify the portions allocated. For example, your weighted scoring might be:
  - 30% on pricing/costs
  - 35% on technical requirements
  - 25% on approach and project management
  - 10% on creativity / innovation

Similar to the procurement request documents, the Evaluation Matrix form is a template to be used and modified to fit the criteria and scoring requirements.

- **Reference Check Form – Potential Successful Bidder**

It is recommended to obtain references once the selection process moves to recommending a successful bidder.

The Reference Check Form may be modified for suitable questions to be asked and relative to the goods/services needed.

- **Successful Submission Letter**

A written confirmation to the bidder to whom the quote/proposal/tender is successfully awarded by Lower Trent Conservation and pending a contract agreement.

- **Notice of Selection (Regret) Letter**

A written notice of selection/regret to the unsuccessful quotes/proposals/tenders received. Unsuccessful bidders may submit a request to arrange a debriefing session with regards to the evaluation completed for their submission within thirty (30) days from the date of the letter.

## **9. REVISIONS TO THE PURCHASING POLICY**

The Purchasing Policy will be reviewed and revised by the Board of Directors at least every four (4) years.