



# Children's Treatment Network

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|-----------------------------------|----------------------|
| <b>Policy Section</b><br>Finance  | <b>Policy Number</b> |
| <b>Policy Name</b><br>Procurement |                      |

## **Policy Statement (Intent and Scope)**

Children's Treatment Network of Simcoe York (CTN) procurement function shall be performed in an open, fair and transparent manner where goods and services are procured in a competitive environment and where all transactions yield the optimal benefit to the agency.

CTN aspires to high ethical, legal, environmental, managerial and professional standards in the management of the resources entrusted to it following the Ontario Broader Public Sector Supply Chain Code of Ethics.

- *Personal Integrity and Professionalism*  
All broader public sector (BPS) supply chain participants will 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 BPS organizations, suppliers and other stakeholders. Respect will be demonstrated for each other and for the environment. Confidential information will be safeguarded. Participants will not accept gifts and favours, provide preferential treatment, publicly endorse suppliers or products or engage in any other activity that would create, or appear to create, a conflict of interest.
- *Accountability & Transparency*  
Supply chain activities will be open and accountable. In particular, tendering, contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for public money. All participants will ensure that scarce public sector resources are used in a responsible, efficient and effective manner.
- *Compliance & Continuous Improvement*  
All BPS supply chain participants will comply with this Code of Ethics and the laws of Canada and Ontario. Participants should continuously work to improve supply chain policies and procedures, to improve supply chain knowledge and skill levels, and to share leading practices.

CTN works within a brokered services environment and contracts both frontline and back office services with a variety of network partners as such these contracts fall outside of this procurement scope as agreed through consultation with the Central east Regional Office of the Ministry of Children & Youth Services.

## **Segregation of Duties**

The following segregation of duties is in place to ensure goods and services are purchased in an efficient and cost effective manner and to establish internal control over the authorization of expenses:

- *Requisition of goods and services*  
Requests for goods and services can be requested throughout the organization and sent to the appropriate Director/Manager for approval within their respective scope of authority.
- *Budgeting for the purchase of goods and services*  
Budgets for purchase of goods and services are set annually by the Management Team and approved by the Board of Directors.
- *Commitment to release orders to vendors*  
All orders for goods and services are processed through the Director of Infrastructure or delegate(s) and placed with the vendor.
- *Receipt of goods and services*  
Goods and services received are checked for accuracy and completeness against the packing slip by the administrative assistants, Local Team Facilitators or Specialty Team Facilitators then forwarded to the Director of Infrastructure's office.
- *Payment approval for goods and services*  
Financial signing authority rests with the C.E.O. or delegated to specific Directors within the organization consistent with the Director's accountability and that fall within the approved annual budget.

### **Contracts or Agreements**

Based on the assumption of thorough vetting and within the approved annual budget, the following will apply:

1. All contracts, leases and partner agency agreements are to be signed by the C.E.O.
2. All contracts, lease and partner agency agreement renewals or amendments are to be signed by the C.E.O.
3. Offer letters to independent service contractors, offers of employment or employment contracts are signed by the C.E.O.
4. Program training agreements are signed by the appropriate Director.
5. Acceptance of bequests and endowments are signed by the C.E.O. and Board Chair.
6. Legal consultations: approval to consult with legal counsel occurs through discussion with the C.E.O.
7. Cheque Runs: every cheque run report is reviewed and signed by the C.E.O.
8. The following areas fall under the Procurement Limits:
  - i. All consultant agreements
  - ii. Equipment purchases
  - iii. Supply contracts

### **Cheque Signing Authority**

The Board of Directors will designate individuals (Board and Staff members) with the authority to sign cheques on behalf of CTN (any two signatures from this group of individuals constitutes binding legal authority). Any changes to this roster of individuals can only be made by a motion of the Board.

## Approval Authority Schedule

CTN has established the following approval authority schedule (AAS) for procurement of goods and non-consulting services.

Prior to commencement, any procurement of goods and non-consulting services will be approved by an appropriate authority in accordance with the AAS described below.

| Purchase Amount (excl. taxes) for Competitive Award of Goods, Non-Consulting Services | Delegation of Financial Authority (DOFA) to approve a Competitive Award for Goods, Non-Consulting Services |
|---|--|
| < \$10,000  | Manager  |
| >= \$10,000 and <\$50,000   | Director   |
| >= \$50,000 and < \$500,000   | Chief Executive Officer  |
| >= \$500,000  | Board of Directors   |

## Competitive Procurement Thresholds

CTN has established the following competitive procurement thresholds in accordance with the Broader Public Sector (BPS) Procurement Directive:

| Goods, Non-Consulting Services and Construction |   |
|---|---|
| Total Procurement Value                         | Means of Procurement  |
| \$0 up to but not including \$100               | Petty cash  |
| \$100 up to but not including \$5,000           | Procurement card (P-card)   |
| \$5,000 up to but not including \$25,000        | Purchase order  |
| \$25,000 up to but not including \$100,000      | Invitational competitive procurement (minimum of three suppliers are invited to submit a bid) |
| \$100,000 or more                               | Open competitive process  |
| Consulting Services                             |   |
| Total Procurement Value                         | Means of Procurement  |
| \$0 up to but not including \$100,000           | Invitational or open competitive process  |
| \$100,000 or more                               | Open competitive process  |

CTN will follow the mandatory requirements under the BPS Procurement Directive for open competitive procurement. Exceptions to open competitive procurement include the following:

### Sole Sourcing Exemption

Where only one supplier is able to meet the requirements of a procurement, CTN will conduct non-competitive procurement as identified in the circumstances listed below (also known as sole source situations):

- To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licenses, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative;
- 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;
- For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly;
- For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor;
- 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;
- For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases;
- For the procurement of original works of art;
- For the procurement of subscriptions to newspapers, magazines or other periodicals;
- For the procurement of real property.

All non-competitive and competitive procurement purchases are made within the following process:

1. Requests for purchase are generated by staff and approved through the Directors.
2. Goods received are matched to packing slips.
3. Invoices are initialled by appropriate Director and approved by the C.E.O.
4. Cheque requisitions are reviewed and approved by C.E.O. prior to the cheques being issued.
5. Purchase receipts are forwarded to the North Simcoe Muskoka Community Care Access Centre (NSM CCAC) finance department for filing as per the process established by CTN.

#### **Monitoring Report Requirements**

1. Annual listing of contracts awarded over \$25,000, disclosing the supplier and the amount to be provided to the Audit & Finance Committee within 30 days of fiscal year-end.
2. Annual listing of any approvals for purchases/contracts outside of approved budget to be provided to the Audit & Finance Committee within 30 days of fiscal year-end.

#### **Reference and Links:**

Broader Public Sector Procurement Directive issued by Management Board of Cabinet, April 1, 2011.

Date Created: December 2011  
 Recommended Review Schedule: Annually  
 Last Revision Date:

Date Approved: February 9<sup>th</sup>, 2012