HOUSING YORK INC.
Procurement of Goods and Services Policy

Approval Date: November 7, 2007

POLICY STATEMENT:

A policy for the purchase of goods, services and construction for Housing York Inc. (HYI). This policy may also be referred to as the "purchasing policy" of HYI.

APPLICATION:

This policy shall apply to all officers, directors, employees, agents and designated representatives of HYI.

PURPOSE:

The purpose of this policy is to outline an effective, efficient, fair and transparent procedure for the procurement of goods, services and construction. This policy shall not apply to the acquisition or disposal of real property.

DEFINITIONS:

In this policy:

"Assistant General Manager" means the Assistant General Manager of HYI;

"Assistant Treasurer" means the Assistant Treasurer of HYI;

"award" means the authorization to proceed with the purchase of goods, services or construction;

"bid" means a submission received in response to a call for bids;

"Bid Review Committee" means the Bid Review Committee established by the Region;

"bidder" means a person, corporation or other entity that submits a bid in response to a call for bids;

"Board" means the HYI Board of Directors;

"call for bids" means a formal request for bids and includes a request for quotations, a request for tenders and a request for proposals;

"Chair" means the Chair of the HYI Board of Directors;

"construction" means construction, reconstruction, demolition, repair or renovation of a building or structure 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 to a building or structure;

"contract" means a contract awarded under this policy;

"contractor" means the bidder to whom a contract is awarded;

"designate" means the person provided with the written authority to act on another person's behalf;

"dollars" means Canadian dollars;

"electronic bidding" means a method of issuing a call for bids and receiving written bids by fax, email or internet;

"emergency" means an event or circumstance, as determined by the General Manager, where the immediate purchase of goods, services or construction is necessary to prevent or alleviate serious delay, a threat to public health, safety or welfare, the disruption of services to tenants, clients, or agencies, or damage to buildings and property or any other expenditure that is necessary to respond to any such event and may include, but is not limited to, an emergency declared under the *Emergency Management and Civil Protection Act*;

"General Manager" means the General Manager of HYI;

"goods" means personal property, including raw materials, products, supplies, equipment and includes other tangible products of every kind and description;

"HYI" means Housing York Inc.;

"Manager" means the Manager of HYI;

"proposal" means a submission received in response to a request for proposals, acceptance of which may be subject to further negotiation;

"purchase order" means an HYI written order to a contractor setting out the terms and conditions for the purchase of goods, services or construction;

"quotation" means a binding offer received in response to a request for quotations;

"Region" means The Regional Municipality of York;

“request for expressions of interest” means a request made by HYI for the purpose of compiling a list of persons, firms or corporations who may be interested in providing goods, services or construction to HYI;

“request for pre-qualification” means a request for the submission of information from potential bidders, including the experience, financial strength, education, background and personnel of persons, firms or corporations who may qualify to supply goods, services or construction to HYI;

“request for proposals” means a request for proposals issued pursuant to this policy;

“request for quotations” means a request for quotations issued pursuant to this policy;

“request for tenders” means a request for tenders issued pursuant to this policy;

“responsive” means that a bid has complied in all material respects with the requirements set out in the call for bids documentation;

“senior management” or “senior manager” means the General Manager, Assistant General Manager and Manager or any of their designates;

“services” means the services to be provided under a contract and includes consulting and professional services;

“sole source purchase” means a purchase made under the sole source purchase section of this policy;

“tender” means a submission received in response to a request for tenders;

“total cost” means the contract cost for the full term of the contract, including all applicable taxes, but net after any rebates;

“Treasurer” mean the Treasurer of HYI; and

“Vice-Chair” means the Vice-Chair of the HYI Board of Directors.

DESCRIPTION:

HYI is a corporation amalgamated under the Ontario *Business Corporations Act* and governed by the *Social Housing Reform Act, 2000*. The Region is the sole shareholder. The Board of Directors have designated authority to senior management to execute documents on behalf of HYI in accordance with its by-laws.

Where any person is authorized to take any action pursuant to this policy, such action may be taken by that person's designate.

The Board will adhere to the Litigation Policy under the Region's Purchasing By-law No. A-0353-2004-089.

The objectives of this policy are:

- to encourage competition among contractors;
- to obtain the highest quality of goods, services or construction;
- to ensure consistency, fairness, objectivity, accountability and transparency in the procurement process; and
- to ensure the procurement process is substantially consistent with the Region's procurement process and by-laws.

RESPONSIBILITIES:

General Manager

The General Manager shall be responsible for:

- providing procurement advice including preparing call for bids documentation;
- administering the call for bids and ensuring compliance with the terms and conditions of the call for bids;
- the standardization of all procurement procedures; and
- the preparation of reports to the Board.

Where any authority has been granted to any person pursuant to this policy, such authority may be exercised by the General Manager.

Despite any other provision of this policy, during any period that regular Board meetings are suspended either during the summer recess or for any other reason, the General Manager shall be authorized to award any contract. A report shall be submitted to the Board as soon as reasonably possible setting out the details of any contract awarded under this policy.

Pre-Qualification Process

Request for Expressions of Interest

The General Manager may conduct a request for expressions of interest for the purpose of determining the availability of any goods, services or construction. The receipt of a submission in response to a request for expressions of interest shall not create any contractual obligation on the part of HYI. A request for expressions of interest may be conducted as a pre-condition to another procurement procedure set out in this policy.

Request for Pre-qualification

The General Manager may conduct a request for pre-qualification for any goods, services or construction for the purpose of selecting qualified bidders to respond to a call for bids, if the nature of the work to be performed requires ascertainable minimum standards.

When a request for pre-qualification is issued, a pre-qualification bid document shall be issued setting out the criteria for pre-qualification, which may include:

- experience of similar work;
- references provided from other customers for similar work;
- verification of applicable licences and certificates; and
- financial capability.

The selection of bidders following a request for pre-qualification shall not create any contractual obligation between HYI and a pre-qualified bidder.

Authorization of Purchases

Purchases shall be authorized on behalf of HYI according to the following guidelines:

Purchases Not Exceeding $10,000

If the total cost of the purchase of goods, services or construction does not exceed ten thousand dollars ($10,000.00), any senior manager may authorize the purchase and such purchase may be made utilizing cash, a cheque, a purchase order or credit card.

Purchases Not Exceeding $50,000

If the total cost of the purchase of goods, services or construction does not exceed fifty thousand dollars ($50,000.00), the Assistant General Manager or General Manager may authorize the purchase and such purchase may be made utilizing cash, a cheque, a purchase order or credit card.

Purchases Between $50,000 and $100,000

If the total cost of the goods, services or construction exceeds fifty thousand dollars ($50,000.00) but does not exceed one hundred thousand dollars ($100,000.00), the General Manager may authorize the purchase provided:

- a minimum of three quotations shall be requested that may be received verbally or in writing; and

- the award is made to the bidder submitting the lowest cost responsive bid.

Purchases Exceeding $100,000.00

If the total cost of any goods, services or construction exceeds one hundred thousand dollars ($100,000.00), the General Manager shall authorize the issue of either a request for tenders or a request for proposals.

A request for tenders or request for proposals shall be undertaken in compliance with the following process:

- the scope of the goods, services or construction shall be set out in the call for bids documentation;

- the form of the call for bids shall, to the extent possible, use standardised documentation;

- the call for bids documentation shall be circulated and advertised in as wide and extensive manner as will ensure the best, most comprehensive and most competitive response to the call for bids;

- evaluation criteria and weightings shall be established prior to the call for bids and the call for bids documentation shall clearly specify how each of the applicable criteria shall be applied in evaluating the bids and whether the “dollar cost methodology” process, as hereinafter defined, will be applied to determine the bidder to whom the contract will be awarded;

- bids shall be publicly opened on the specified date, at the specified time;

- all bid amounts shall be recorded;

- all bids shall be fairly and completely evaluated using as open, fair and transparent a process as may be possible in the circumstances of the particular call for bids;

- the evaluation of each bid shall be recorded using a standardized form of evaluation record;

- the evaluation record shall be stored and shall only be destroyed in accordance with any applicable records retention policy; and

- any irregularities shall be referred to the Bid Review Committee.

HYI will utilize the Region's Supplies and Services Branch as its agent to facilitate the issuance of all Requests for Tenders and Requests for Proposals. However, the General Manager of HYI will report to the Board and will make the award.

Request for Tenders Process

A request for tenders shall be issued where the following criteria apply:

- two or more sources are considered capable of supplying the goods, services or construction;

- the goods, services or construction are clearly ascertainable and permit the evaluation of bids against applicable specifications;

- the market conditions are such that bids can be submitted on a competitive pricing basis; and

- it is intended that the lowest cost responsive bid shall be accepted without negotiation.

The General Manager may award the contract provided that the award is made to the bidder submitting the lowest cost responsive bid.

Request for Proposals Process

A request for proposals shall be issued where the goods, services or construction cannot be specifically defined and it is anticipated that bidders may propose a variety of alternatives to fulfil HYI requirements.

The General Manager may award the contract provided that:

- the total cost of the contract does not exceed five hundred thousand dollars ($500,000.00);

- the award is made to the bidder whose bid achieves the highest score as a result of the evaluation; and

- the award is made to the bidder submitting the lowest cost responsive bid.

Dollar Cost Methodology

In the event two or more of the lowest bids are within five (5) points of the highest overall score, HYI may use the "dollar cost methodology" to determine the successful bidder, in accordance with the Region's By-law No. A-0353(a)-2006-063.

Tied Bids

In the event that more than one bidder has submitted a low bid in the same amount and all else is equal, HYI will follow the Region's *Tied Bid Procedure Policy*.

Emergency Purchases

Despite any other provision of this policy, in cases of emergency, as determined by the General Manager, the purchase of goods, services or construction may be authorized without issuing a call for bids.

The General Manager shall endeavour to obtain the lowest cost for any goods, services or construction required, using as fair and transparent a process as is feasible having regard to the particular emergency.

The General Manager may authorize the emergency purchase where the total cost does not exceed one hundred thousand dollars ($100,000.00).

Emergency purchases where the total cost exceeds one hundred thousand dollars ($100,000) shall be authorized by any one of the Chair, Vice-Chair or General Manager together with the Treasurer or Assistant Treasurer, in the Treasurer's absence.

Sole Source Purchases

A sole source purchase may be made for the procurement of goods, services or construction without issuing a call for bids where the compatibility of a purchase with existing equipment, facilities or service is the paramount consideration or where the equipment, facilities or service is unique or specialized.

The General Manager may authorize a sole source purchase where the total cost does not exceed one hundred thousand dollars ($100,000).

The Board must authorize a sole source purchase where the total cost exceeds one hundred thousand dollars ($100,000).

Contingencies

Where any purchase of goods, services or construction has been authorized under this policy by the Assistant General Manager or the Manager, that senior manager may authorize disbursement of additional funds, provided that such additional funds shall not exceed fifteen percent (15%) of the total cost of the original contract and provided that the additional funds are required to complete the work set out in the original contract. Where such additional funds exceed fifteen percent (15%) of the total cost of the original contract the General Manager may authorize the additional funds, so long as the total cost can be accommodated in the annual HYI budget and so long as the amount of the additional funds does not exceed $15,000.

Where any purchase of goods, services or construction exceeding fifty thousand dollars ($50,000) has been authorized under this policy, the General Manager may authorize disbursement of additional funds, provided that such additional funds shall not exceed fifteen percent (15%) of the total cost of the original contract and provided that the additional funds are required to complete the work set out in the original contract.

The Board may authorize any contingency expenditure, irrespective of the total cost of the original contract.

A report shall be submitted semi-annually to the Board to advise of any expenditures made under this section of the policy, if the total cost cannot be accommodated in the annual HYI budget.

Purchase of Additional Goods, Services or Construction

Where goods, services or construction have been purchased under this policy, no similar, additional or related goods, services or construction shall be purchased from the same contractor, whether by way of contract extension, renewal, or separate purchase, unless:

- a report is submitted to the Board; or
- the procurement procedures set out in this policy are complied with as if the additional purchase is a new contract; or
- the total cost of the additional goods, services or construction does not exceed twenty percent (20%) of the total cost of the original contract; or
- the total cost of the additional goods, services or construction is to be paid in full by a third party, not including the Region, and security to ensure payment is in place, to the satisfaction of the General Manager.

Any amount authorized may be expended in addition to any contingency allowance authorized under this policy and may be authorized by the General Manager.

A report shall be submitted semi-annually to the Board to advise of any expenditures made under this section of the policy, if the total cost cannot be accommodated in the annual HYI budget.

Co-operative Purchasing

HYI may participate in co-operative purchasing with the Region, other government agencies, or public authorities, including but not limited to recognized housing provider affiliations such as Ontario Non Profit Housing Association (ONPHA) or Social Housing Services Corporation (SHSC), where the General Manager determines it is in the best interests of HYI to do so.

HYI shall adhere to the policies of the agency calling the co-operative bid.

Unsolicited Proposals

Where an unsolicited proposal is received by HYI, the General Manager may determine if the proposal shall be evaluated as a sole source purchase.

If the General Manager determines that the unsolicited proposal should be considered a sole source purchase, the award shall be made in accordance with that section of this policy.

Reports to the Board

The General Manager shall report to the Board at least annually any contract for which the total cost exceeds one hundred thousand dollars ($100,000).

Despite any other provision of this policy, a report shall be submitted to the Board prior to authorizing an award in each of the following circumstances:

- where the contract price is in excess of five hundred thousand dollars ($500,000.00) and a request for proposals has been issued under this policy;
- where the purchase is prescribed by statute to be made by the Board;
- where the term of a proposed contract is for a period longer than three years, or where the renewal of a contract would result in an aggregate term of greater than three years;
- where a request for tenders has been issued and the award is not proposed to be made to the bidder with the lowest cost responsive bid or there is an informality or irregularity that cannot be resolved by the Bid Review Committee;
- where the purchase of any goods, services or construction is not authorized by this policy; and
- where otherwise specifically provided in this policy.

Invoice Approval

The Manager may approve payment of an invoice, provided that satisfactory evidence that invoiced goods or services were received and the purchase was authorized as provided for in this policy.

The Manager may authorize the payment of any item in Schedule “A”, so long as the amount can be accommodated in the annual HYI budget.

Restrictions and Exceptions

The purchasing procedures set out in this policy shall not apply to the purchase of those goods and services set out in Schedule “A”, provided that the total cost of the purchase does not exceed the amount approved in HYI’s annual budget.

No procurement of goods, services or construction shall be divided into two or more parts to avoid the application of this policy.

No personal purchases shall be made by HYI directly or indirectly for members of the Board or any officer or any agent or employee of HYI.

All procurement undertaken by HYI shall be undertaken in accordance with the Region’s Code of Conduct and in accordance with the conflict of interest provisions set out in HYI By-law No.1-07, as may be amended from time to time.

Payment of Accounts

In addition to anything otherwise contained in this policy, any one of the Chair, Vice-Chair or General Manager together with the Treasurer or Assistant Treasurer, in the Treasurer’s absence, shall be authorized to pay through HYI accounts payable:

- all accounts for the purchase of goods, services or construction, where the purchase of such goods, services or construction has been made in accordance with this policy, or otherwise approved by the Board;

- all accounts authorized by the appropriate signing officer;

- all items listed in Schedule “A” subject to such expenditures being approved in the annual budget; and

- all requisitions for monies which HYI is by statute required to pay to its local boards or other bodies on account of their approved annual estimates, including advances before such budgets are approved.

REFERENCE:

Approval

Report of the Board of Directors, dated November 7, 2007.

Authority

The *Social Housing Reform Act, 2000* regulations require a local housing corporation to ensure its agents are knowledgeable about all policies, procedures, standards and objectives that concern their duties.

Related References

Social Housing Reform Act, 2000, O. Reg. 644/00, Paragraph 5(1)(a)

CONTACT:

General Manager, Housing York Inc.

York #402077

SCHEDULE "A"

The purchasing activities defined in the Housing York Inc. Purchasing Policy shall not apply to the purchase of the following goods and services set out in this schedule:

1. Utility Charges, including:

   a) water;
   b) hydro;
   c) gas;
   d) telephone; and
   e) telecommunications.

2. Postal charges.

3. Any purchase required to be made by HYI under statutory authority, such as:

   a) financing costs for buildings (mortgage and debenture purchases);
   b) property taxes;
   c) building insurance;
   d) commodity tax remittances.

4. Any purchase related to inter-company services with the Region, such as:

   a) Regional invoices for salaries, benefits and overhead allocations;
   b) audit services;
   c) courier services for interoffice mail and external deliveries;
   d) armoured delivery services for banking
   e) office equipment and supplies;
   f) lease purchases for HYI administration office.

5. Any purchase related to professional services as directed by the Region, such as:

   a) memberships and affiliations, for example;
      i. Ontario Non Profit Housing Association (ONPHA),
      ii. Institute of Housing Management (IHM);
   b) software licence renewals;
   c) provision of skilled services to individuals as part of approved programs.

6. The following contracts and related purchases concerning property management activities:

   a) laundry services;
   b) alarm answering services;
   c) local advertising for vacant market units;
   d) accommodation for displaced tenants due to building repairs;
   e) petty cash replenishment; and
   f) executed agreements or operating contracts.

7. Expenditures for training and education, including:

   a) attendance at conferences, seminars, courses and conventions;
   b) subscriptions to books, magazines, and periodicals;
   c) fees for trainers/facilitators.

8. Refundable employment related expenses to Regional staff delivering services to HYI consistent with Regional policies :

   a) advances for expenditures;
   b) meal allowances;
   c) travel and entertainment expenses;
   d) miscellaneous expenses.