



PROCUREMENT AUTHORITY POLICY

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Contents

| | |
|---|-----------|
| 1. DEFINITIONS- PROCUREMENT AUTHORITY POLICY | 3 |
| 2. AUTHORITY FOR PROCUREMENT OF SERVICES AND GOODS | 4 |
| 3. PURCHASING CRITERIA NO. A: BUDGETED GOODS AND SERVICES UP TO \$50,000 | 6 |
| 4. PURCHASING CRITERIA NO. B: NON-BUDGETED GOODS AND SERVICES UP TO \$50,000 | 8 |
| 5. PURCHASING CRITERIA NO. C: GOODS AND SERVICES GREATER THAN \$50,000 | 10 |

1. DEFINITIONS- PROCUREMENT AUTHORITY POLICY

DEFINITIONS

In all Financial Policies, the following terms shall have the respective meanings:

- (a) "Accounting" is a systematic and comprehensive recording of financial transactions pertaining to the organization plus includes the process summarizing, analysing and reporting these transactions.
- (b) "Accounts Payable" is a debt owed to a creditor for goods or services purchased on credit.
- (c) "Accounts Receivable" is an amount receivable from a debtor for goods or services sold on credit.
- (d) "Asset" is a property or economic resource owned, licensed, managed or controlled by ATAC.
- (e) "Authority" is a person designated to have authority approval limits for ATAC
- (f) "BODM" is a ATAC Board of Directors Motion.
- (g) "Board" refers to ATAC Board of Directors
- (h) "Board Member" means a member of the ATAC Board of Directors,
- (i) "Budget" is a systematic planning for total expenditures of Revenue, Capital and Departmental contributions over a specified time frame.
- (j) "Tendering Representative" the person delegated by ATAC to oversee the tendering process
- (k) "DoF" means the Director of Finance of ATAC.
- (l) "Chairperson" means the Chairman of the Board of Directors.
- (m) "Employees" is any staff of ATAC who holds contract and/or is responsible for administration or safe guarding assets
- (n) "Executive" means Executive Committee of the Board of Directors, Chair, Co-Chair, Secretary or Treasurer
- (o) "Expenditures" are payments or disbursements incurred during the fiscal year. For the purposes of this policy expenditures include invoices entered to accounts payable but funds have not been released.
- (p) "FMP" means this Financial Management Policy along with any appendices and amendments approved by the ATAC Board.
- (q) "GAAP" means Generally Accepted Accounting Principles which are the broad rules adopted by the accounting profession as guides in measuring, recording, and reporting the financial affairs and activities of an entity.
- (r) "Procurement Contract"- signed offer - for the performance of any work; purchase of any item, commodity, equipment, goods, materials or supplies or the performance of a service of any kind.
- (s) "Revenues" are funds which ATAC expects to receive within a given Fiscal Year whether such funds are actually received or accrued.
- (t) "Signing Authority" is a person designated and approved by the Board to have signing authority for ATAC.
- (u) "Tender" is a response to an RFP or some formal procurement request
- (v) "Treasury Board Rates" means the rates established within the Treasury Board of Canada Secretariat's Travel Directive as amended from time to time.

2. AUTHORITY FOR PROCUREMENT OF SERVICES AND GOODS

BASIC PROCUREMENT POLICY

A basic tenet of sound financial and procurement policy of Aboriginal Tourism of Canada Corporation (ATAC) is that all transactions require the involvement of at least two (2) ATAC parties from the following list:

Employee
DoF
President and CEO

- a) The first party to initiate the transaction by requisition; and
- b) The second to approve the requisition or a Contract in accordance to established authorities and procedures.

Both parties are responsible and ultimately accountable to the Board of Directors (Board) for the said transaction that they are involved in.

At no time should any party or officer of ATAC be permitted to act alone and initiate and approve any transactions except as specifically authorized by the present policy. In this regard, the President and CEO shall establish and maintain adequate controls and procedures to ensure that procurement of goods and services are made in accordance to established policies, authorities and procedures.

PROCUREMENT AUTHORITY

A. Under the direct authority of the ATAC Board the President and CEO, Executive Committee and Employee shall have the following duties and responsibilities:

- i. To have charge of and be responsible for the procurement of all goods and services for or on behalf of ATAC to the limits of their authorized signing authorities;
- ii. To ensure that adequate budgetary funds are available to meet the cost of any goods supplies or services prior to any directive to procure such goods or services;

B. Under the direct authority of the Board, the President and CEO shall have the following duties and responsibilities:

- i. To have charge of and be responsible for the procurement of all goods and services for or on behalf of ATAC not otherwise under the responsibility of the Executive Committee and Staff up to the limit of his/her authority;
- ii. To ensure that adequate budgetary funds are available to meet the cost of any goods supplies or services prior to any directive to procure such goods or services;

MULTI-YEAR CONTRACTS

Regardless of whether the situation applies under purchase criteria A, B or C, all multi-year expenditures that involve term commitments:

- a) Up to and including one year must be approved by the DoF
- b) Exceeding one year, not surpassing three years must be approved by President and CEO and the DoF; if President and CEO is unavailable the Executive Committee can act on behalf
- c) exceeding three years must be Board approved

AUTHORITY LEVELS

Approved purchase authority levels are exclusive of all taxes, freight, etc.

PURCHASE SPLITTING OR PARCELLING

At no time should the requisition or contract for the required goods and services be split or parcelled out to reduce the value of the purchase or contract for the purposes of avoiding approved spending authority levels.

GIFTS

The purchase of gifts and other appreciation shall follow the following guidelines:

- a) Gifts are not to be purchased with ATAC funds for the Board, President and CEO, Employees or families of Employees.
- b) Flowers are an acceptable expenditure in instances of illness and bereavement provided the current budget can cover such expenditure. The equivalent of such flowers can also be donated to a not for profit entity as requested under these circumstances.
- c) Retirement gifts will be determined on an individual case by case basis

3. PURCHASING CRITERIA NO. A: BUDGETED GOODS AND SERVICES UP TO \$50,000

PURPOSE

Purchasing Authority Criteria No., A is for the procurement of all budgeted goods and services having a value up to \$50,000.

Purchasing Authority Criteria Nos., A and B can be used for the procurement of minor construction contracts and repairs.

AUTHORITY LEVELS

a) Up to \$500 inclusive

For the procurement of goods and services of this value, all employees authorized by the delegated authority are authorized to proceed with the purchase either by using delegated credit card limits or by submitting a business expense claim as per established procedures.

b) \$501 to \$5,000 inclusive

For the procurement of goods and services of this value, employees are to gain reasonable competitive quotes, once employee is confident of the value the employee is authorized to approve the requisition under their approved authority. The employee can proceed with the purchase either by using delegated credit card limits or by submitting a business expense claim.

c) \$5001 to \$15,000 inclusive

After obtaining the most favourable price either through written quotations from known suppliers or estimated quotations depending on the nature of the contemplated work, the urgency of the requirements and the general trade practice and market conditions, the employee jointly with D0F, is authorized to approve the employee's requisition under their approved authority;

d) \$15,001 to \$50,000 inclusive.

After obtaining the most favourable price either through written quotations from known suppliers or estimated quotations depending on the nature of the contemplated work, the urgency of the requirements and the general trade practice and market conditions, the President and CEO is authorized to approve the requisition under their approved authority; the President and CEO shall inform the DoF and report this activity to an Executive Committee Member;

e) Sole Source up to \$50,000

ATAC may exceptionally sole source the purchase of the goods and/or services to an individual, contractor or firm, with the prior approval of an Executive Committee Member (or Board if the person requisitioning is the President and CEO). In these cases, the person responsible for the purchase shall provide a written explanation for the reason sole sourcing is being recommended and why this particular supplier should be chosen. In any event, the President and CEO shall report this activity to the Board at the next scheduled meeting.

For procurements greater than \$50,000, the President and CEO, DoF, and Employees, shall adhere to Purchasing Authority Criteria No. C, Goods and Services greater than \$50,000.

4. PURCHASING CRITERIA NO. B: NON-BUDGETED GOODS AND SERVICES UP TO \$50,000

PURPOSE

Purchasing Authority Criteria No. B provides ATAC policy framework for the procurement of all goods and services up to \$50,000 that have not been included in the approved Operation and/or Capital budget.

For the exceptional procurement of non-budgeted goods and services that must be made on an urgent basis to ensure the immediate health, safety and security of ATAC employees, citizens and properties on its territory and to maintain essential services Purchasing Criteria Section B will be utilized.

BUDGET AND FORECAST LIMITS

It is ATAC's responsibility to remain at all times within the limits of its approved Operation and Capital budgets both on a consolidated and project basis.

Where no remedial action can be taken to remain within the approved budget due to unforeseen new circumstances or other reasons and the Forecast indicates that budgeted funds will lapse and result in a surplus, ATAC may exceptionally utilize this forecasted surplus for other purposes providing funding agreements or other restrictions are respected.

AUTHORITY LEVELS

- a) up to \$15,000 inclusive

After obtaining the most favourable price either through written quotations from known suppliers or estimated quotations depending on the nature of the contemplated work, the urgency of the requirements and the general trade practice and market conditions, the DoF, jointly with the President and CEO, is authorized to issue a requisition under their approved authority;

- b) \$15,001 to \$50,000 inclusive

After inviting written quotations from at least three suppliers, the President and CEO jointly with an Executive Committee Member, are authorized to issue a requisition under their approved authority, the Executive Member will report this activity to the Board.

- c) Sole Source up to \$50,000

ATAC may exceptionally sole source the purchase of the goods and/or services to an individual, contractor or firm by seeking approval of the Board.



In these cases, the person responsible for the purchase shall provide an explanation for the reason sole sourcing is being recommended and why this particular supplier should be chosen. Input from the DoF and Executive should be presented.

For procurements greater than \$50,000, the President and CEO, DoF, and Employees, shall adhere to Purchasing Authority Criteria No. C, Goods and Services greater than \$50,000.

5. PURCHASING CRITERIA NO. C: GOODS AND SERVICES GREATER THAN \$50,000

PURPOSE AND SCOPE

Purchasing Authority Criteria No. C provides ATAC policy framework for the procurement and/or contracting of all goods and services having a value greater than \$50,000 and are Consultation, Services and Training Contracts that require competitive bidding.

It applies to all officers and employees of ATAC.

GENERAL RULE OF VALUE FOR MONEY

As a general rule when contracting for goods and services, employees must ensure that “Value for Money” is obtained.

Value for Money is the term used to assess whether or not ATAC has obtained the maximum benefit from the goods and services it acquires and/or provides, within the resources available to it. It not only measures the cost of goods and services, but also takes account of the mix of quality, cost, resource use, fitness for purpose, timeliness and convenience to judge whether or not, when taken together, they constitute good value. Achieving Value for Money may be described in terms of the 'three Es' - economy, efficiency and effectiveness.

AUTHORITY TO CONTRACT

- a) Employees having the proper level of signing authority as authorized by the Financial Management Policy- Signing Authority Policy as approved by the Board, may commit and legally bind the ATAC for any and all contract for goods and services having a value greater than \$50,000.
- b) Contracts must be authorized before the work begins. Under no circumstance may work begin prior to a written contract.
- c) All contracts must be forwarded to the DoF for proper tracking in accordance with established procedures.

USE OF STANDARD CONTRACT DOCUMENTS

ATAC approved standard contract forms and documents must be used, as applicable, from beginning to end in accordance to established procedures. The DoF holds responsibility to create forms and distribute these forms for use and shall indicate the following;

- a) Date and hour of closing
- b) Sufficient details from which comparable bids can be made

- c) That 'lowest or any tender not necessarily accepted'
- d) The date, hour and place tenders will be opened, which shall not be less than ten business days; and

SOLE SOURCING

Where the total value of the contract is greater than \$50,000 but less than \$100,000, including amendments, the Board may exceptionally sole source to an individual or firm.

In these cases, a justification taking into account value for money criteria must be considered by the Board prior to issuing any contract, as to the reasons a sole source contract should be used for the work to be performed and why this particular contractor should be chosen.

The President and CEO will submit the request to the Board with a recommendation and obtain their approval before proceeding further.

COMPETITIVE BIDDING AND OPENING

- a) Where the total value of the contract is over \$50,000 including amendments, the Tendering Representative must initiate a Request for Proposals (RFP).
- b) Once the RFP is approved, the Tendering Representative shall use their best efforts to invite a minimum of three (3) possible vendors by way of invited calls for tenders and/or advertised calls for tenders;
- c) Calls for tenders shall be of a duration of at least fourteen (14) calendar days;
- d) All sealed bids shall be date and time stamped and initialled upon their reception and kept unopened in a safe and secure location until the time of opening the bids;
- e) Bids opening are public and shall be opened, recorded and processed as per established procedures.

\$100,000 AND LESS, BID SELECTION

- a) For contracts of \$100,000 and less, the Tendering Representative will be guided by a recommendation, based upon the tenders received, from a selection team, which shall consist of the following:
One Employee, President and CEO, one representative of the Executive Committee, one representative of the Board
- b) The President and CEO will then receive all tenders along with the selection team recommendation and select the successful candidate

\$100,001 AND MORE, BID SELECTION

- a) For contracts of \$100,001 and more, the Tendering Representative will submit the bids to the President and CEO
- b) PRESIDENT AND CEO will determine if sufficient tenders have been received to satisfy value for money, if not satisfied the President and CEO direct another RFP be issued to a broader audience
- c) If the value for money is satisfied, the President and CEO will then proceed to be guided by a decision from the Board

AWARD OF CONTRACT

- a) The lowest tender received shall be preferred unless ATAC or the Board, respectively, deems it in the best interest of the community to do otherwise.
- b) Where the lowest tender is not accepted ATAC or the Board, respectively, is required before awarding the contract, to list and record the reason.
- c) Awarding of Contracts shall be by letter from the President and CEO for contracts \$100,000 and less or by resolution by the Board for contracts \$100,001 or more.

SIGNATURE OF CONTRACT

- a) Upon acceptance of a tender, a binding contract shall be signed by both parties and shall become part of the records of the appropriate department along with a copy of the corresponding letter or resolution.
- b) Only after the Board approves the contract, the following signatures may be affixed and seen as the act of binding ATAC;
 - i. Chairperson of the Board
 - ii. President and CEO
 - iii. DoF and one (1) Executive Committee Member jointly, only when i) and ii) are not available

EMPLOYER – CONTRACTOR RELATIONSHIP

Under no circumstances may a contractor be in an Employee – Employer relationship nor may they be a member of ATAC.

PROFESSIONAL SERVICES CONTRACTS

- a) ATAC will pay for Professional fees in accordance to the contract and, if applicable, travel expenses in accordance with Treasury Board Guidelines up to the allowable maximum;
- b) All other type of expenses (i.e. photocopies, telephone, materials, administration, etc.) must be clearly set out in the contract to be eligible for payment;

- c) Professional fees should only be paid upon receipt of a written invoice signed by the contractor and a previously agreed upon deliverable (e.g. report, activity report, etc.).
- d) A contract advance can be provided to the contractor up to a maximum of 15% of the value of the contract.
- e) A contract advance may only be provided were the contractor is a:
 - sole proprietor and requires funds to commence the requested project;
 - or
 - small firm that requires financial assistance to commence the project.

AMENDMENTS

- a) Contract Amendments must be agreed to in writing by the parties prior to their implementation and approved by the appropriate ATAC approved authority;
- b) Within budget, amendments of no less than \$5,000 or 5% (whichever is higher in value) of the total aggregate value of the contract are initiated by the Tendering Representative and approved by the President and CEO with the concurrent knowledge of the DoF
- c) Within budget or not, Amendments of more than \$5,000 or 5% (whichever is higher in value) of the total aggregate value of the contract are initiated by the Tendering Representative and approved by the Board with the concurrent knowledge of the DoF

CONTRACT MANAGEMENT

- a) Every Tendering Representative must ensure that no payment is made in excess of the contract.
- b) At year-end, each Tendering Representative must ensure that all invoices are received from the contractor to ensure that the appropriate amounts are charged to the correct year.

DISCLOSURE

- a) Every Tendering Representative must disclose all contracts of any value to the President and CEO;
- b) On a quarterly basis, the President and CEO must disclose to the Board a list of all contracts approved in the previous quarter. The list must contain the, contractor, purpose and amount;

ROLES, RESPONSIBILITIES AND ACCOUNTABILITIES

- a) The President and CEO is responsible for:
 - ensuring DoF and Employees are notified of any changes to the Purchasing Criteria
 - making decisions within the program budgets were doubt exists

- shall submit quarterly to the Board a report on the number and value of emergency procurements incurred to during the period compared to the previous year.
- b) The DoF is responsible for:
 - implementation and monitoring of this Purchasing Criteria; and,
 - making decisions within program budgets where doubt exists
 - shall submit monthly to the President and CEO a report on the number and value of emergency procurements incurred to date during the period compared to the previous year.
- c) Employees have the responsibility to:
 - be informed of the Purchasing Criteria;
 - bring to the attention of the DoF and President and CEO, any instances of noncompliance to this policy; and,
 - bring to the attention of the DoF and President and CEO for decisions on any circumstances where there may be doubt.
- d) Tendering Representatives and all Employees of the ATAC are responsible for adherence to this policy; and ensuring that best value is obtained on contracts