



Date: February 2, 2017

Report to: Board of Directors
CityHousing Hamilton Corporation

Submitted by: Tom Hunter
Chief Executive
Officer/Secretary

Prepared by: Kathy McInnes
Manager, Business
Services

Subject: Authorization Limits for Procurement Policy (Report # 17001)

RECOMMENDATION:

That the Board approve Authorization Limits for Procurement policy and procedure.

A handwritten signature in blue ink that reads "Tom Hunter".

Tom Hunter
Chief Executive Officer/Secretary

EXECUTIVE SUMMARY:

The Authorization Limits for Procurement Policy identifies the authorization limits for the purchasing of goods and services for maintenance, operations and asset renewal. The purchasing function related to authorization limits meets the current needs of CityHousing Hamilton (CHH) by employing effective and innovative methods for procurement.

BACKGROUND:

In our continued review of all CHH policies and procedures, and further to the outcome of the May 2016 Operational Review, staff recently reviewed the existing CHH Approval Limits Policy. Minimal changes have been made to the policy except to align approval limits with City of Hamilton procurement policies and to include information that is reflective of the type of approval authority required to meet the organization's needs and function.

The revised Authorization Limits for Procurement Policy supersedes the existing Approval Limits Policy.

DISCUSSION:

Upon approval of the annual capital and operating budgets by the CHH Board of Directors, the appropriate authority is provided to CHH to enter into contracts with Contractors. The purpose of entering into contracts is to ensure effective and efficient management of all City of Hamilton owned housing stock.

Any CHH staff member that is provided approval authority under this policy must ensure that appropriate budget funds exist and purchases do not violate any CHH, City of Hamilton, legal and/or statutory policies. CHH staff that are responsible for requisitioning and purchasing goods and/or services will be held accountable for their decisions. Purchases or contracts must not be divided in order to avoid exceeding a spending limit requiring further authorization. Non compliance with the authorization approval requirements are addressed through the CHH Non Compliance Policy which reflects the same processes followed by the City of Hamilton.

All asset renewal capital expenditures (replacement and reserve) work are presented and approved by the Board of Directors annually as part of CHH's budget process. Any projects that are over the allocated capital budget do not require Board approval if the amount is within the 10% contingency.

If CHH staff are using certified contractors as established within the current Schedule of Rates for a total value under \$25,000, there is no requirement for written quotes however the appropriate approval authority must be obtained prior to issuance of the work.

CHH has established monetary authorization limits for the procurement and purchase of goods and services. Each monetary limit has an associated authorization requirement. The only change to existing monetary limits is an increase to Property Manager authorization from \$7,500 to \$10,000 which aligns with City of Hamilton procurement policies. The remaining amounts were previously approved by the CHH Board of Directors as part of the Operations and Capital Authorization Approval Limits.

CONCLUSION:

The Authorization Limits for Procurement Policy provides guidance and expectations of roles and functions related to authorization limits for the purchase of goods and/or services. CHH staff recommends that the policy be approved.

OPERATIONAL PLAN:

This report implements:

Goal 1. Create Financial Sustainability – *Ensure that CityHousing Hamilton has sufficient capital to invest in buildings to minimize the impact on City of Hamilton taxpayers.*

Goal 2. Maintain and Improve Building Conditions - *Ensure that the CityHousing Hamilton portfolio is managed effectively and sensitively and is in a good state of repair to meet the affordable housing requirements of Hamilton residents now and in the future.*

Goal 4. Reinvest in communities and increase affordable housing - *Expand the supply of affordable housing in Hamilton through new development, redevelopment and partnerships with the private sector and community housing stakeholders that will lever additional funding and resources.*

KM/th

Mission: CHH provides affordable housing that is safe, well maintained, cost effective and that supports the diverse needs of our many communities.