

CityHousing Hamilton Corporation



CATEGORY	03	Procurement	DATE APPROVED: February 2, 2017
SECTION	01	Authorization Limits	UPDATED ON: October 11, 2017
POLICY	01	Authorization Limits for Procurement	INTERNAL POLICY

1.0 POLICY STATEMENT AND PURPOSE

In accordance with the *Municipal Act, 2001*, CityHousing Hamilton (CHH) is committed to ensure that the purchasing function related to authorization limits meets the current and future needs of the organization by employing effective and innovative methods for procurement of goods and/or services.

2.0 SCOPE

The scope of the policy will focus on identifying authorization limits for the purchasing of goods and services for asset renewal and maintenance as well as for operations. However, authorization limits for operations related to creation of Arcori and PeopleSoft invoices is out of scope for this policy. This policy does not describe the process for purchasing related to emergency work.

3.0 POLICY

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

Any CHH staff member that is provided approval authority under this policy are accountable to ensure that the proper budget exists and purchases do not violate any of the CHH, City of Hamilton, legal and/or statutory policies. CHH staff members that are responsible for requisitioning and purchasing goods and/or services will be held accountable for their decisions. Purchases or contracts should not be divided in order to avoid exceeding a spending limit requiring further authorization. Non-compliance with the policy will be addressed in the Non-Compliance Policy.

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 project that is over the allocated budget within the capital budget must report to the Board of Directors for approval. However, any project that is within the contingency approved budget that is above 20% requires an information update to the Board of Directors.

Should the purchase of a good and/or service be a non-competitive procurement, the approval for the purchase must follow the appropriate approval authority excluding the CEO. The authorization limit for the CEO for these types of purchases must follow the Non-Competitive Procurement Policy.

3.1 EXCEPTIONS TO OBTAINING WRITTEN QUOTES

If CHH staff are using certified contractors as established within the Schedule of Rates under \$25,000, there is no requirement for written quotes; however, the appropriate approval authority must provide approval. If there is a change in the scope of work where the authorization limit has been exceeded, the next approval authority must provide sign-off.

3.2 PROCEDURE

CHH has monetary limits associated with the type of approval authority for procuring and purchasing goods and services. Each monetary limit will also have an associated number of quotations required for each limit. Amounts have been preapproved by CHH Board of Directors as part of the Operations and capital authorization approval limits. Any purchases over \$25,000 or up must be brought to the Tender Evaluation Committee. Formal quotes will not be obtained from associated companies.

Approval Authority	Authorization Limits - Estimated Cost of Goods and Services (Excludes H.S.T)	Approval Process
<ul style="list-style-type: none"> Property Management Assistant Residency Administration Representative Administrative Assistant 	Up to \$500	Certified Contractors services will be based on established Schedule of Rates.
<ul style="list-style-type: none"> Maintenance Administrator 	Up to \$900	Certified Contractors services will be based on established Schedule of Rates.
<ul style="list-style-type: none"> Pest Control Clerk 	Up to \$1,000	N/A
<ul style="list-style-type: none"> Property Manager 	Up to \$10,000	Certified Contractors services will be based on established Schedule of Rates.
<ul style="list-style-type: none"> Purchasing Officer Contract Administrator Project Managers Financial Coordinator 	Up to \$10,000	N/A
<ul style="list-style-type: none"> Maintenance Supervisor 	Up to \$10,000	N/A
<ul style="list-style-type: none"> All Managers/ Supervisors (with the exception of the Manager of Asset Renewal, Manager of Operations and the Manger of Maintenance) 	Up to \$10,000	N/A
<ul style="list-style-type: none"> Manager of Asset Renewal 	Up to \$65,000 outside of the approved budget.	\$10,000 - \$100,000: A minimum of 3 formal quotations. \$100,000 and up: Proceed with Public Tender process
<ul style="list-style-type: none"> Manager of Operations Manager of Maintenance 	Up to \$65,000	\$10,000 - \$100,000: A minimum of 3 formal quotations. \$100,000 and up: Proceed with Public Tender process
<ul style="list-style-type: none"> Chief Executive Officer 	Up to \$300,000	\$10,000 - \$100,000: A minimum of 3 formal quotations. \$100,000 and up: Proceed with Public Tender process

4.0 LEGAL REQUIREMENTS
<ul style="list-style-type: none"> • <i>Municipal Act, 2001</i>
5.0 RESPONSIBILITY
The CEO must ensure that all staff are appropriately trained on this policy.
6.0 DEFINITIONS
<p>Associated Companies: means any companies that are related to the parent company.</p> <p>Approval Authority: means the authority to approve and award procurements, as well as any assignment or corporate change requests related to such procurements, up to the procurement values for the respective body or persons (s).</p> <p>Contract: any formal legal agreement between two or more parties for supplies, goods, services, equipment, or construction. Such agreements will consist in the form of a:</p> <ul style="list-style-type: none"> a) Purchase Order; b) Purchase Order incorporating a formal agreement; or c) Formal agreement between two or more parties that creates an obligation to provide defined goods and/or perform defined services <p>Municipal Act, 2001: legislation that outlines municipal governance and jurisdiction to administer and deliver services in respective areas.</p> <p>Request for Proposals (RFP): means a formal request for prices and details on goods and/or services from vendors, where the goods and/or services may not be able to be fully defined or specified or when alternate methods are being sought to perform a certain function or service, at the time of the request.</p> <p>Request for Quotations (RFQ): means an information request for prices on goods and/or services with an estimated procurement cost, where comprehensive technical specifications can be developed.</p> <p>Request of Tenders (RFT): means a formal request for prices on goods and/or services from vendors, where the goods and/or services are able to be fully defined or specified at the time of the request.</p> <p>Services: means all professional, consulting, construction or maintenance services, as well as any other services described in a contract or in a RFQ, RFT, or RFP.</p> <p>Written Quote: is the cost coverage for a product or service that an authorized seller or provider offers in good faith through a written agreement to sell at the stated amount.</p>
7.0 REFERENCES AND RELATED POLICIES
<ul style="list-style-type: none"> • Certified Contractor List Policy • Emergency Work Policy • Formal Quotations Policy • Non-Compliance Policy • CHH Board Report, 13030 CHH Approval Authorization Limits (September 24, 2013)
8.0 RATIONAL FOR CHANGE
Changes reflect to CHH procurement practices.