

# Directive

## Directive: Purchasing and Spending Limits

Issue Date:	September 26 , 2017	Directive No.:	DIR2017-08
Revision Date:		Revision No.:	

Applicable Policy: N/A

Type: Legislative/Operational

*The policies and procedures in this Directive are to be implemented by Housing Providers/Cooperatives funded by the Municipality under the following programs.*

### Provincial Non-Profit Housing Providers

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Gananoque Family Housing                      | <input checked="" type="checkbox"/> Gananoque Housing Inc.                           |
| <input checked="" type="checkbox"/> Legion Village 96 Seniors Residence           | <input checked="" type="checkbox"/> Twp. of Bastard & South Burgess Housing Corp.    |
| <input checked="" type="checkbox"/> Brockville Municipal Non-Profit Housing Corp. | <input checked="" type="checkbox"/> South Crosby Non-Profit Housing Corp. – Pineview |

### Federal Non-Profit Housing Providers

- |   |   |
|---|---|
| <input type="checkbox"/> Athens & District Non-Profit Housing Providers | <input type="checkbox"/> Marguerita Residence Corp.                           |
| <input type="checkbox"/> Gananoque Housing Inc.                         | <input type="checkbox"/> South Crosby Non-Profit Housing Corp. – Rideau Lakes |

### Federal/Provincial Cooperative Housing

- Shepherds Green Cooperative Homes Inc.

### Affordable Housing Providers

- |  |   |
|--|---|
| <input type="checkbox"/> Elgin Seniors Housing Development | <input type="checkbox"/> 2049515 Ontario Inc. |
| <input type="checkbox"/> Housing Department                |   |

### Housing Providers

- |   |  |
|---|--|
| <input type="checkbox"/> UCLG Social Housing Provider | <input type="checkbox"/> Rent Supplement Program |
|---|--|

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**BACKGROUND**

Purchasing and spending limits are considered a best practice and guidelines for developing such a policy were formerly included in the Ministry’s Conflict of Interest Directive. Although purchasing and spending limits are closely linked to Conflicts of Interest, the Service Manager has created separate directives on each subject for ease of reference.

**PURPOSE**

The purpose of this directive is to provide guidelines and direct housing providers to develop a Purchasing and Spending Limits by-law or policy if one does not currently exist for their housing portfolio.

**ACTION TO BE TAKEN**

1. Housing providers shall promote fair and objective business practices as follows:
  - a) Establish a Purchasing/Spending Limits by-law or policy that identifies individuals and/or titles authorized to approve purchases and the maximum amounts that can be approved by each individual on behalf of the housing provider.
  - b) The by-law or policy must also document a process for all purchases or contracts which requires the next highest level of authority for approval if the lowest bid/quote is not selected by the person authorized to make this decision. In most cases this will be the Board of Directors. Reasons for not choosing the lowest bid/quote must be documented and is subject to review by the Service Manager.
  - c) Obtain a minimum of three (3) written quotes for any contract costing more than \$2,000 and up to \$14,999 or any predetermined lesser amounts.
  - d) Implement a written process for the awarding of contracts under \$2,000 or a predetermined lesser amount that is fair and transparent.
  - e) Implement a mandatory public or invitational tendering process for all contracts costing over \$14,999 or a predetermined lesser amount. At least three tenders should be submitted for consideration to ensure a fair and objective award of contract(s). The quality of goods and services to be provided and written specifications outlining resources, timing, and fees or cost shall all be considered in making a decision.
  - f) If the housing provider participates in a cooperative purchasing program (e.g. ONPHA’s Best Deals), the procedures of the cooperative purchasing program shall replace the housing provider’s internal procedures for competitive acquisition of goods and services for the duration of the housing provider’s participation in the cooperative purchasing program.

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**ACTION TO BE TAKEN**

- g) Where an emergency prevents the housing provider from following other provisions of this Directive, the housing provider shall:
  - a. employ without a call for proposals the individual or firm in whom the housing provider has the greatest confidence in regard to a particular requirement of the housing provider in dealing with the emergency;
  - b. ensure the employment of the individual or firm lasts no longer than necessary to deal with the emergency; and
  - c. keep records of the appointment of the employment and remuneration of the individual or firm.
- h) Maintain records of all contracts and tenders, bid submissions, decisions of the housing provider and any other related documentation in a Purchasing/Tender file.
- i) Implement a documented, open and competitive process for employment opportunities, as applicable. See Guidelines for the Procurement of Property Management Services and/or Self-Management Recruiting Directive for details.
- j) A property manager, property management services firm or development consultant employed or contracted by the housing provider is subject to the Conflict of Interest Directive, and
  - i. shall not have a direct or indirect interest in any other business that provides advice, goods or services to the housing provider;
  - ii. if any have signing authority for the housing provider, should not use these same contractors for personal purposes or in any way engage the services of these same contractors for work of a personal nature. This includes any contractor on an approved standing list of contractors regularly working for the housing provider, and
  - iii. must declare a potential, perceived or actual Conflict of Interest where this has occurred. The Conflict of Interest must be resolved to the satisfaction of the Board of Directors and/or the Service Manager.
- k) Subject to employment law in force in Ontario and any collective-bargaining agreements to which the housing provider is party, all relationships, arrangements, contracts or agreements of the housing provider shall include a clause permitting the housing provider to terminate the relationship, arrangement, contract or agreement if the housing provider or the Service Manager requires such termination in order to resolve a Conflict of Interest.

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**REFERENCE**

None.

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Date