



## **ENWIN GROUP OF COMPANIES**

### **PURCHASING POLICY AND PROCEDURES**

*EnWin Utilities Ltd., EnWin Energy, and the Windsor Utilities Commission*

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## Index

Title	Page
Definitions	4,5
Confidentiality	6
Compliance	6
Employee Notice	7
Purchasing Methods	8,9
Purchasing Objectives	2,3
<b>Policies</b>	
Bid Deposits	19
Bid Irregularities	17,18,19
Capital Purchases	11
Consulting Services	13
Contractor Services	16
Contracted Services	15
Emergency Items	15
Emergency Services	15
Formal Contract Agreements	14
Inventory Items	12
Non-Inventory Items	13
Performance Bonds	20
Pre-qualification of Contractors	11
Purchasing Card	11
Scrap, Surplus, Obsolete Items	17
Single Source Items	12
Small Items	12
<b>Procedures</b>	
Capital Purchases	20
Consulting Services	29
Contractor Services	30
Contracted Services	31,32
Emergency Items	28
Emergency Services	29
Inventory Items	26
Non-Inventory Items	27
Pre-qualification of Contractors	22
Purchasing Card	22,23,24,25,26
Scrap, Surplus, Obsolete Items	33,34
Single Source Items	28
Small Items	25



## **PURCHASING OBJECTIVES**

- a. To purchase the right items in the right quantity at the right price from the right source at the right time.
- b. To co-ordinate the requirements of all Departments of the Companies' and by standardization, to reduce the kind of goods used by the Companies to the smallest number consistent with the needs of the various Departments.
- c. To maintain a high standard of service to minimize inconvenience to Departments by means of stocking within designated stores areas and/or direct purchases.
- d. Expedite delivery of material to coincide with requirements of user Departments.
- e. To utilize appropriate control procedures to ensure proper accountability for all purchases and applications of purchases with the Companies
- f. To dispose of, to the best advantage, all material and equipment which has been declared surplus or obsolete
- g. Provide for security of inventory against damage and physical or financial loss.
- h. Except as otherwise stated herein, all purchases of goods, services or equipment in excess of the small purchase or Amex card limit shall be made by the Purchasing Department on a competitive basis in keeping with accepted purchasing practices and procedures, and in accordance with the Code of Ethics of the Purchasing Management Association of Canada (P.M.A.C.) applicable laws, this policy and any directions or regulations made pursuant hereto.
- i. Every purchase valued in excess of \$1,000.00 shall be covered by a Purchase Order, including written contracts for payment record and control purposes. This policy does not apply to the purchase of utilities, small petty cash items, vehicle leases, package delivery or freight charges, unless included in a Purchase Order, and Amex Card Purchases.
- j. An exemption shall apply to the purchases of insurance, legal services, audit services, tax services, investment services sourced by the C.F. O. or employee benefits, wage or salary administration sourced by Human Resources. Legal and Financial Consulting Services are subject to approval of the C.E.O. or designated Vice-President, prior to engagement. The C.F.O. shall present a report to the Board of Directors for exempted purchases, at regularly scheduled Board meetings.
- k. This policy applies to all purchases of the *EnWin* Group of Companies, including the Windsor Utilities Commission, (herein referred to as the Companies) unless superceded by Bylaw, or resolution.
- l. This policy should be applied to meet the Companies budget objectives, both Operating and Capital. Purchases shall not be split to contravene this policy.



- m. Goods or Services that are specifically listed in Companies' Capital Budgets, that have been approved by the Board of Directors, need not be resubmitted to the Board/Commission for approval should the purchase exceed limits provided in this policy, but are within the approved budget expenditure. See Capital Purchases, page 10
- n. Items requiring deposits such as cable reels or core charges for automotive replacement parts shall have a separate account created for tracking purposes.
- o. The Companies require that all vendors/contractors/suppliers performing work on company property shall provide satisfactory evidence of sufficient insurance and WSIB clearance to the Purchasing Department, to be eligible for specified work, prior to commencement of any such work.
- p. If it becomes necessary to modify, delete, or add to a specification for an open RFQ/RFP or Tender, the Purchasing Department shall issue Addenda to all vendors on the Bid List, unless a vendor has already declined to bid. The Addenda shall indicate a place for the vendor to acknowledge receipt of the Addenda. Vendors shall be required to confirm receipt in their submission.
- q. If it becomes necessary to withdraw or to extend the closing date of an RFQ/RFP or Tender, the Purchasing Department shall issue Addenda or Letters to all vendors on the Bid List, unless a vendor has already declined to bid. Upon notification of a time extension, a vendor who as already submitted may have their bid returned upon request. Bids submitted prior to a withdrawal shall be returned to bidders unopened.
- r. Approval authority of a requisitioner shall be in accordance with the Authority List submitted to the Purchasing Department.
- s. The Purchasing Department and the Companies' designated broker will carry out all details related to the import of foreign goods or services and the proper export documents to accompany shipments should any returns be required.



## **DEFINITIONS**

### **a. PURCHASE REQUISITION**

An approved instrument used to initiate all purchases (equipment, material, services, and leases), and out of the ordinary requirements of inventoried materials. with the exception of those listed in paragraph (i) & (j) above. Requisitions are initiated by the User Department in Maximo and completed detailing the user requirements including industry description, and any applicable specification. The requisitioning department shall be responsible for preparing functional and technical specifications for the goods and services to be acquired in a manner that will facilitate the achievement of the optimal combination of quality, performance, time and choice.

### **b. REQUEST FOR QUOTATION**

An Approved instrument whereby the *EnWin* Purchasing Department requests suppliers to quote prices, terms, delivery, etc. for specified services, and/or material.

### **c. INVITATION TO TENDER**

An approved instrument whereby the *EnWin* Purchasing Department may invite contractors or consultants to tender prices for specified construction projects or contracted services.

### **d. REQUEST FOR PROPOSALS**

An approved instrument whereby the *EnWin* Purchasing Department can call for prices on materials or services that may best serve the interest of the Companies, where a performance specification only, has been developed.

### **e. PURCHASE ORDER or VENDOR CONTRACT (BLANKET PURCHASE ORDER)**

An approved instrument that agrees to purchase material or services as quoted, tendered or proposed at agreed prices, terms, etc., for a specified period. If it becomes necessary to change any terms of a Purchase Order, a Purchase Order Change will be issued by the Purchasing Department, detailing the changes.

### **f. CONTRACT PURCHASE ORDER**

An approved instrument that agrees to purchase material or services as quoted, tendered or proposed at agreed prices, terms, etc., The Purchase Order will reference *EnWin* or WUC Standard Contract Documents in order to incorporate them as part of the Purchase Agreement. If it becomes necessary to change any terms of a Contract Purchase Order, a Purchase Order Change will be issued by the Purchasing Department, detailing the changes.



**g. OPENING COMMITTEE**

A Committee of two or more individuals shall open quotations, tenders, and proposals. The Committee may consist of two Purchasing Department representatives, the Director, Purchasing Services, or his designate, and a staff member. The Director, Purchasing Services and one other VP/Director level individual shall open high value Quotations and Proposals, such as those requiring a co-signature of the C.E.O., or approval of the Board

**h. PURCHASING CARD**

A card intended to facilitate the purchase and payment of materials and/or services required to conduct the business of the *Companies*.

**i. CROSS FUNCTIONAL TEAM**

Cross-functional team may consist of representatives from User department and Purchasing to evaluate submissions and recommend the most suitable vendor from responses submitted.

**j. EMERGENCY MATERIAL OR SERVICES.**

Emergency requirements shall be defined as items or services, which have to be sourced quickly, generally outside normal working hours where time is of the essence; Materials are not normal stores stock. Examples of situations that may require emergency items are: loss of life, health, correction of safety problems, loss of service, large economic loss, spill of pollutants, inconvenience to the public, etc. Emergency procedures may require temporary suspension of provisions of the Purchasing Policy as determined by a Department Head.

**k. LIMITS OF AUTHORITY AND PRICES**

Dollar values stated in this document are intended to be including tax amounts.



## **CONFIDENTIALITY**

### Release of Bidder and result information

- a. Information regarding names and/or number of bidders requested to submit bids or responding to Requests for Quotations/Tenders/Proposals, etc. will be kept confidential from third parties.
- b. With respect to sealed bids and facsimile quotes, prices shall remain confidential from third parties.
- c. Personal, proprietary and third party information will be protected.
- d. The confidentiality of information received during the course of business must be respected and not used for personal gain
- e. Any personal interest that may impinge or may be construed to impinge on an employee's impartiality in any circumstance in the performance of their duties must be reported to their supervisor and/or the Director of Purchasing.
- f. Any information supplied to the Windsor Utilities Commission in response to a Request for Quotation/Proposal, may be subject to disclosure under the Municipal Freedom of Information and Protection of Individual Privacy Act (Bill 49)

## **COMPLIANCE**

The Business Community must have confidence in the integrity of the Purchasing Policy and Procedures of the Companies. An employee who knowingly contravenes the Company Purchasing Policy and Procedure, or fails to act in accordance with this Policy, shall be subject to disciplinary action, up to and including discharge.

Any supplier of goods and/or services who knowingly contravenes the company Purchasing Policy may be prohibited from bidding on future contracts or performing work on behalf of the companies. Management, based on the severity of the infraction will determine the term of disqualification.

Any supplier of goods and/or services who knowingly misrepresents any detail pertaining to a good considered for purchase, or misrepresents the qualifications or experience of an employee may be prohibited from bidding on future contracts for the supply of goods and/or services. Management, based on the severity of the infraction will determine the term of disqualification.



## **EMPLOYEE NOTICE**

Employees are advised that a verbal authorization or commitment on their part to a vendor to proceed with the supply of goods or services, can form a legal contract that is valid and enforceable under law as any written contract document. Employees may not enter into verbal agreements with other parties on behalf of the Companies unless an emergency situation exists as defined in this Policy. (Page 5.J.)



## **PURCHASING METHODS**

### **a. Request for Quotation:**

Quotations shall be obtained from approved suppliers for all materials valued over \$1,000.00 to maintain competitive pricing. For items valued in total under \$50,000.00, Purchasing Department, at its discretion, may source materials based on facsimile quotations as dictated by circumstances. The prime evaluation factor for this method will be price.

### **b. Negotiations**

Consulting services, Contractor Services and Contracted Services valued at under \$10,000.00 may be negotiated by the User Department or Purchasing. A Purchase Order shall be issued in either case.

### **c. Miscellaneous Materials**

Small non-inventory and miscellaneous materials totaling under \$500.00 may be purchased by means of a Purchasing Card issued to the user.

### **d. Invitation to Tender**

Tenders shall be obtained from approved Consulting Firms, Professional or Contracting Firms for consulting or contracted services valued over \$100,000.00. Tenders will be publicly advertised if the department estimate of the work is \$50,000.00 or more, unless pre-qualification of vendors has been undertaken. This method is used when we know what we want done and how we want it done. Vendors will compete on the pricing to complete the many detailed specifications in the work we require. A decision matrix will be created prior to receiving submissions that will list and weight each factor that will be considered during analysis of the quotes received. This decision matrix will be a significant factor in determining the successful proponent.

### **e. Request for Proposal**

Proposals may be requested by public advertising. It seeks best value through competitive bidding. The RFP describes in detail the project to be undertaken, the intended result of the project and criteria for choosing the successful contractor. The RFP may indicate a preferred procedure of completing the work, or it may not. One proposal will be identified as the most likely to provide best value, based on the known evaluation criteria, and an award for the contract will be made. The RFP process should be used when the purchase is not solely a product or commodity but requires a solution to a problem, where solutions are expected to be hard to evaluate, or price is not the only criterion. A decision matrix will be created prior to receiving submissions that will list and weight each factor that will be considered during analysis of the quotes received. This decision matrix will be a significant factor in determining the successful proponent.



**f. Purchasing Card**

Purchases may be made by authorized cardholders up to their limits of authority and in accordance with the Purchasing Card Policy, included herein.

# **POLICIES**



## **1. CAPITAL PURCHASES**

Prior to contracting for a purchase, a completed and properly signed Capital Expenditure Justification Form is required for purchases \$10,000 or greater. Included in this requirement are vehicles purchased or leased. Labour capitalized to work orders is included in the approval policy.

The Purchasing department will not issue a purchase order without a completed Capital Expenditure Justification Form nor will Accounting issue a cheque without a completed Capital Expenditure Justification Form.

Should a contemplated purchase exceed the authorized value submitted on the Capital Expenditure Justification Form, the requestor is required to resubmit for approval.

## **2. FORMAL CONTRACT AGREEMENTS**

Use of vendor documents should be avoided whenever possible, however, occasionally, a vendor's Formal Agreement may be required when the standard Purchase Order terms and conditions are not suitable because of the complexity of a contract.

## **3. PREQUALIFICATION OF CONTRACTORS, AND CONSULTANTS**

Contractors and/or Consultants who wish to be included in the Companies approved contractor/consultant list will be requested to prequalify annually by the Purchasing Department. Only those contractors/consultants who have been prequalified will be asked to submit quotations or tenders for the various outside contract work required.

## **4. PURCHASING CARD**

The Purchasing Card is designed to streamline the Companies' purchasing process to better support the organization's operating needs, without eroding good business practices or circumventing internal controls. Therefore, all cards are issued through, and with the concurrence of the designated Purchasing Card Co-ordinator. A card may be revoked at any time, for any reason, by the Cardholder's department or the Purchasing Card Coordinator. Failure to use the Card in accordance with Company Policy and Procedure, may result in disciplinary action against the user.

Only those individuals who are specifically authorized within their department may participate in this programme. In addition, no one other than the Cardholder (IE; the individual) is authorized to use the card.



The Bank will send a monthly summary statement of the Companies' Card purchases to the Finance Department for payment. The monthly processing steps are summarized as follows:

- Authorized Cardholders make purchases in the normal course of business and prepare a log of the purchases.
- Cardholders receive monthly statements for reconciliation purposes only, payment is not made from the individual statements. Payment is made from the summary statement sent to the Finance Department.
- The Finance Department receives and pays the monthly summary Purchasing Card statement.
- The Finance Department utilizes the individual cardholders' statements and corresponding receipts/packing slips received from the approving Manager to charge the appropriate department and work orders as indicated by the approving Manager.
- Each month the Cardholder must submit the monthly card statement along with the corresponding receipts/packing slips, to the individual who has the authority to approve requisitions, purchases and payment (e.g. Manager, Department Head), for approval and assignment of expense types, department numbers, and work order numbers. Cardholders who do not process their statements on line in PeopleSoft must submit an Expense Report prepared electronically on Excel using the approved Expense Report Template.

#### **4. INVENTORY ITEMS**

This category covers all material managed through the Inventory Control Programme that is handled and stored for the Companies.

##### **Initiation**

The Purchasing Department shall source inventory items. Users shall advise the Purchasing Department of special requirements for planned projects.

##### **Limits of Authority**

- Up to \$250,000 Director, Purchasing, Fleet, & Site Services
- Over \$250,000 - requires co-signature of C.E.O.



## **5. NON-INVENTORY ITEMS**

This category covers items that are not held in stock but are ordered for delivery directly to the point of use and have prior budgetary approval. Examples of these types of items are furniture, office equipment, vehicles, and capital tools.

### **Initiation**

Non-inventory Items shall be sourced by the Purchasing Department upon receipt of an approved Purchase Requisition from the user department.

Small items totaling less than \$1000.00 may be purchased directly by the user department by means of a Purchasing Card.

### **Limits of Authority**

- Up to \$100,000.00 - Director, Purchasing, Fleet, & Site Services
- Over \$100,000.00 - Co-signature of the CEO

## **6. SMALL, NON-INVENTORY & MISCELLANEOUS ITEMS requested by user departments under \$1,000.00**

This category covers small dollar items that are not readily available from inventory and are required expeditiously for maintaining project continuity

### **Initiation:**

User Department may requisition, telephone or E-mail request, providing necessary charge numbers to the Buyer. A Purchasing Card may be used for purchases up to \$500.00 by the User Department.

### **Limits of Authority**

- Up to \$1000.00

## **7. SINGLE SOURCE ITEMS**

This category covers materials or equipment that have only one source of supply. They may be inventory or non-inventory items.



## Initiation

The Purchasing Department shall negotiate the price to be paid with the supplier and shall source items, upon receipt of an approved Purchase Requisition from a User Department.

The Purchasing Department, for single source items up to \$10,000.00 may accept facsimile quotations

## Limits of Authority

- Up to \$100,000 - Purchasing Department
- Over \$100,000 - **Director, Purchasing Services** will obtain Co-signature of the CEO

## 8. Formal Contract Agreements

### Initiation

It shall be the responsibility of the Department Head requiring the service, jointly with the **Director, Purchasing Services** to determine if it is in the best interest of the company to establish a Formal Agreement with a vendor.

In these circumstances, it is the responsibility of the Department Head requiring the service, acting within their authority under the Purchasing Policy, to understand and accept the terms and conditions of the vendor's Formal Agreement.

Should the Department Head have any doubt or lack complete comprehension of any wording, language, term or condition, within the Formal Agreement, it shall be the Department Head's responsibility to contact the **Director, Purchasing Services** or the VP Finance for clarification.

The Director, Purchasing or VP Finance will seek outside legal advice on the content and implications of the Formal Agreement, if warranted.

Where a Formal Agreement is used, the Director, Purchasing Services will issue a Purchase Order within the authorization of the Purchasing Policy, incorporating the Formal Agreement.

## 9. EMERGENCY ITEMS

This category covers items that have to be sourced quickly, generally outside normal working hours where time is of the essence, and are not held in stock



## Initiation

Initiation of emergency purchases is the responsibility of the affected department, generally outside of normal working hours and may require suspension of the provisions of the Purchasing Policy. Any suspension of the Purchasing Policy shall be reported in writing by the affected department to the CEO, and the **Director, Purchasing Services** on the first regular working day following the emergency.

## **10. EMERGENCY SERVICES**

This category covers services that have to be sourced quickly, generally outside normal working hours where time is of the essence

### Initiation

Initiation of emergency purchases is the responsibility of the affected department, generally outside of normal working hours and may require suspension of the provisions of the Purchasing Policy. Any suspension of the Purchasing Policy shall be reported in writing by the affected department to the C.E.O., and the **Director, Purchasing Services** on the first regular working day following the emergency.

## **11. CONSULTING SERVICES**

This category covers the sourcing of the services of consulting firms and professionals to accomplish a defined task. During the selection process, ability, experience with similar projects, personnel available, and reputation can be considered. Selection criteria, such as weighting, shall be determined in advance. Selection based solely on price may not be in the best interest of the company.

### Initiation

Legal and Financial Consulting Services are subject to approval of the C.E.O. or designated Vice-President, prior to engagement.

The Purchasing Department shall source Consulting Services. The User Department will supply all necessary specifications, performance criteria and project information to enable a proponent to provide a reasonable response. Values over \$10,000 shall be by Invitation to Tender or Request for Proposal. Where necessary, Company Contract Documents will be used, with a Purchase

Order, referencing the contract document. (Contract Purchase Order) **If necessary, an MEA/CEO client/consultant agreement for Municipal Works (2006) will be used.**

**Limits of Authority**

- Up to \$10,000 - Department Head with written report to the Vice-President
- \$10,000 to \$50,000 - Vice-President
- \$50,001 to \$100,000 - C.E.O.
- Over \$100,000 - Board of Directors

**12. CONTRACTOR SERVICES**

This category covers the sourcing of the services of outside firms to construct, maintain or repair a defined facility or equipment.

**Initiation**

The User Department may source contracted Services. Values over \$10,000 shall be by Invitation to Tender or Request for Proposal. Where necessary, Company Contract Documents will be used, with a Purchase Order, referencing the contract document. (Contract Purchase Order) If necessary, the User Department will provide a P.E.O agreement.

**Limits of Authority**

- Up to \$10,000 - Department Head, with written report to the Vice-President
- \$10,000 to \$50,000 - Vice-President
- \$50,001 to \$100,000 - C.E.O.
- Over \$100,000 - Board of Directors

**13. CONTRACTED SERVICES**

This category covers the sourcing of the services of outside firms to construct, maintain or repair a defined facility or equipment.

**Initiation**

The User Department may source contracted Services. Values over \$10,000 shall be by Invitation to Tender or Request for Proposal. Where necessary, Company Contract Documents will be used, with a Purchase Order, referencing the contract document. (Contract Purchase Order) If necessary, the User Department will provide a P.E.O Agreement.

**Limits of Authority**

- Up to \$10,000 - Department Head, with written report to the Vice-President
- \$10,000 to \$50,000 - Vice-President
- \$50,001 to \$100,000 - C.E.O.
- Over \$100,000 - Board of Directors



**14. SCRAP, OBSOLETE OR SURPLUS ITEMS**

This category covers items that are to be disposed of by sale or otherwise as a result of being scrapped, obsolete or surplus.

**Initiation**

Scrap, obsolete or surplus items shall be disposed of upon the advice of a User department by sale or otherwise as deemed appropriate by the Purchasing Department in the best interest of the Company. The Purchasing Department must dispose of all obsolete or surplus items.

**Limits of Authority**

Disposal shall be the responsibility of the Director, Purchasing, Fleet, & Site Services.

**15. BID IRREGULARITIES**

This policy sets out the most frequent deviations occurring when calling for bids. Listed in order of severity, the most severe deviations can render a bid invalid since the nature of the deviation is such that the Corporation does not have firm evidence that a contract may be entered into, IE; the offer of the bidder in response to our solicitation (tender, etc.) is not authorized and therefore, not available for consideration. Accordingly, these deviations will result in automatic rejection of the bid. This policy will facilitate the analysis and award process of solicitations for Company staff, in that the method of handling most common bid irregularities will be set out.

1. Late bids, by any amount of time..... Automatic rejection
2. Bids not completed in ink.....Automatic rejection
3. Execution of Agreement to Bond.....Automatic rejection
  - Bond company corporate seal or equivalent proof of authority to bind company, or signature missing
4. Surety company not operating in the Province of Ontario.....Automatic rejection
5. Execution of bid bonds.....Automatic rejection
  - Corporate seal or equivalent proof of authority to bind company, or signature of the bidder, or both, missing
  - Corporate seal or equivalent proof of authority to bind company, or signature of bond company, or both, missing



6. Uncertified Cheque..... Automatic rejection
7. Security in form other than specified..... Automatic rejection
8. Cheque drawn on other than a Chartered Bank.....Automatic rejection
9. Unsealed tender envelopes..... Automatic rejection
10. Failure to provide proof of Insurance when requested.....May be rejected.
  - Bidder may be given up to two working days, including the day of notification to provide satisfactory proof of Insurance requirement.
11. Bids received by another department of Corporation..... May be considered
  - Requesting documents must clearly state the vendor response must be received at the location stipulated in the documents before closing time or the bid will be considered informal and rejected.
12. Proper response envelope or label not used..... May be considered
  - Bid must have been received before closing.
13. Qualified bids (bids restricted by a statement)..... Accepted
  - Accepted unless specified otherwise in solicitation
14. Bids received on documents other than provided in request..... Accepted
  - Alternate documents must contain all information requested on provided documents
  - Accepted unless specified otherwise in solicitation
15. Insufficient financial security (deposit or bid bond).....Automatic rejection
  - Accepted if security amount is not specified in request and insufficiency is trivial
  - Rejected if security amount is specified in request.
16. Part bids (all items not bid)..... Accepted
  - Accepted unless complete bid has been specified in solicitation
17. Bids containing minor clerical errors..... Accepted
  - Bidder must correct and initial changes within two working days
  - Corrections provided by facsimile will be accepted.



18. Uninitialed, minor changes to request documents.....Accepted

- Bidder must correct and initial changes within two working days
- Corrections provided by facsimile will be accepted.

19. Alternate items bid.....May be considered

- Bidder is required to provide sample where possible, and complete specification information to permit evaluation or alternate will not be considered.

20. Mathematical errors not consistent with unit prices.....May be considered

- Bidder must accept corrections as made by the Purchasing Department.
- Corporation reserves the right to accept or reject the bid outright.

21. Pages missing.....May be considered

- Missing pages must be minor error.

22. Bid documents which suggest the bidder has made a major error in bid...Rejection

- Purchasing Department should consult with corporate solicitor on case by case basis

**16. BID DEPOSIT LIMITS**

Department Estimate:	Certified Cheque or Bid Bond Minimum Deposit Required
Less than \$20,000.00 .....	\$1,500.00
\$20,000 to \$50,000.00.....	\$2,000.00
\$50,000.01 to \$100,000.00.....	\$5,000.00
\$100,000.01 to \$200,000.00.....	\$10,000.00
\$200,000.01 to \$300,000.00.....	\$20,000.00
\$300,000.01 to \$500,000.00.....	\$30,000.00
\$500,000.01 and over .....	10% of total bid, including tax

Bid Bond requirements may be waived subject to the scrutiny and sign-off of the C.E.O.



## **17. PERFORMANCE BONDS**

Prior to award of a Purchase Order, the Purchasing Department will obtain a Performance Bond from successful bidders for 50% of the value of their bid, including applicable taxes, as well as a 50 % Labour and Material Bond for a period of one year from the date of the Purchase Order.

Performance Bonds will generally be obtained for construction services and/or equipment greater than \$35,000.00 where a performance specification has been stipulated. The Performance Bond is intended to ensure the specification is met after provision of the service, or installation and testing of equipment. The Labour & Material Bond is intended to protect the company from a contractors sub-contractors in the event the contractor does not fulfill his obligations to the sub-contractors

Performance Bond requirements may be waived subject to the scrutiny and sign-off of the C.E.O.

# PROCEDURES



## **1. CAPITAL PURCHASES**

Procedure:

The requestor will complete a Capital Expenditure Justification Form and submit the completed form to their supervisor. If approved the Manager shall affix their signature to the form and submit it to the next level for approval. This process shall continue until all signatures have been obtained.

Should a contemplated purchase exceed the authorized value submitted on the Capital Expenditure Justification Form, the requestor is required to resubmit for approval.

## **2. PREQUALIFICATION OF CONTRACTORS/CONSULTANTS**

Procedure:

The Purchasing Department shall advertise annually to permit interested proponents to submit requests to be prequalified.

Proponents shall be required to submit details on work experience, safety record, WSIB, certified personnel, insurance, equipment etc.

Submissions will be reviewed by an Opening Committee, for each company. Successful proponents notified in writing by the Purchasing Department.

Requests for inclusion after the prequalification process will be reviewed on their own merit.

A decision matrix will be created prior to receiving submissions that will list and weight each factor that will be considered during selection of pre-approved vendors. This decision matrix will be a significant factor in determining the successful proponents.

## **3. PURCHASING CARD**

Procedure

Items/services viewed as potential candidates for the Purchasing Card are those items/services normally purchased with low value Purchase Orders and Petty Cash with the exception of Provincial Tax Exempt items. It is required that Provincial Tax Exempt purchases be made through the use of a Purchase Order, however, all purchases will receive the GST rebate.

Purchasing Card purchases should not be greater than \$ 500.00, including taxes. Higher limits may be permitted depending on circumstances. Authorization must be obtained in advance from the Department Manager and the Purchasing Card Coordinator



### Cardholder's Responsibility

- Ensure the proper use of the Purchasing Card. The Purchasing Card is user-specific; no one shall attempt to purchase an item using a card issued to another person. Delegation of authority is not permitted in making transactions.
- Verifying the correctness of all monthly statements and taking appropriate and timely action to identify and correct any errors. It is the primary responsibility of each Cardholder to perform a reconciliation of the monthly activity statements with the charge slips/receipts/packing slips. The Cardholder must cross-check the charge slips and the transaction log/requisitions against the monthly activity statement to verify accuracy.
- The Purchasing Card must be signed upon receipt
- Immediately notifying the issuing Bank if the card is lost or stolen. The Cardholder must also notify the Purchasing Card Coordinator during business hours.
- Any updates/modifications to a Cardholder's name, address, transaction limit, etc. are made through the Purchasing Card Coordinator using the application form
- Cardholders must ensure purchase limits are will not be exceeded prior to the purchase. Should the card be repeatedly used over limit, the Purchasing Card may be cancelled.
- During the period of reconciliation, the Finance Department will process the summary statement for payment on behalf of the entire organization. It is imperative that any discrepancies between the actual purchases and the monthly cardholder's statement be reported to the Purchasing Card Co-ordinator. If an error is discovered on the monthly activity statement, the Cardholder should telephone the associated vendor to investigate.

### Manager's Responsibility

- The individual responsible for the cost centre must notify the Purchasing Card Co-ordinator of the employees designated to be assigned a Purchasing Card.
- The individual responsible for the cost centre must determine the monthly credit limit for each Purchasing Card issued, subject to approval of the C.F.O. or designate. The standard maximum Purchasing Card credit limit is \$ 5,000.00 per month.
- The individual responsible for the cost centre must also notify the Purchasing Card Coordinator of any changes or deletions to the authorities delegated.
- Review, sign, allocate account distributions, and forward the monthly Cardholders' statements, with the corresponding receipts/packing slips to the Finance Department. The
- signature of the approving individual indicates that all charges for the Cardholder have been reviewed and approved, in compliance with the Companies' Policies and Procedures



- All Purchasing Card purchases will be charged to the expense types, department numbers, and work order numbers as indicated by the approving Manager.

#### Purchasing Card Coordinator's Responsibilities

- Responsible for maintaining a file of the individuals authorized for Purchasing Card transactions, assisting in resolution of problems, and administering the overall programme.
- The Purchasing Card Co-ordinator handles maintenance of the cards. Any updates/modifications to a Cardholder's name, address, transaction limit, and Monthly credit limit, etc. are made through the Purchasing Card Coordinator using the application form.
- Act on behalf of the Companies to ensure the issuing bank corrects any discrepancies.

#### Finance Department Responsibilities

- Responsible for approving and paying the monthly summary Purchasing Card statement, and charging an established Suspense Account by Department.
- The Finance Department utilizes the individual cardholders' statements and corresponding receipts/packing slips received from the approving Manager to clear the Suspense Account and charge the appropriate account distributions as indicated by the approving Manager.
- The Finance Department makes one payment to the issuing bank on behalf of all Cardholders and posts the individual department totals to the established suspense account. When the individual cardholders' statements and corresponding receipts/packing slips are received from the approving Managers, the appropriate account numbers are charged and the suspense account is credited.
- Maintain records of purchases in the Finance Department for seven years.
- Provide a written Monthly Report of Purchases to C.F.O. and Vice-Presidents

#### Application for Card

An applicant requesting the card must submit a completed application, approved by the individual who has the authority to approve requisitions, purchases and payment (e.g. Manager, Department Head,) in writing to the Purchasing Card Coordinator. The application is titled Purchasing Card Application. The application must be completed in its entirety, including the cost centre number (department number).

The applicant and the Manager must sign and date the form.

The Purchasing Card Coordinator approves and processes all requests for a card. Requests are retained in a permanent file for administrative purposes.



All issued Purchasing Cards must be picked up from the Purchasing Card Co-ordinator and the back signed upon receipt. The Cardholder is also required to sign an acknowledgment letter, stating the Purchasing Card was received and will only be used for authorized purchases. The card may only be used by the individual named on the card.

### Using the Purchasing Card

The Purchasing Card Programme is designed for the purchase of low dollar items in an efficient manner and with minimal administrative work.

Transactions limit is \$ 500.00 including taxes. Larger purchases may not be broken into smaller purchases in order to remain below the transaction limit.

Materials/services covered by a Purchase Order, or Vendor Contract must not be purchased with the Purchasing Card.

The Purchasing Card must not be used for expenses normally claimed on a Travel Authority e.g. travel expenses, hotels, meals, etc.

Purchases must be within the monthly credit limit, generally \$5,000.00, established when applying for the Purchasing Card.

If an item purchased with the Card is returned, the merchant must credit the card account. Include the credit receipt/packing slip for the transaction, and indicate the transaction was a credit.

A monthly activity statement for each account is mailed to the Cardholder. A consolidated summary statement is sent to the Finance Department for payment process. Every month the Cardholder must submit the monthly card statement along with the corresponding receipts/packing slips, to their Manager for approval, assignment of Account Distributions, and subsequent forwarding to the Finance Department. The Cardholder must verify that all items included on the monthly activity statement are legitimate. The Cardholder must immediately notify the Purchasing Card Coordinator of any unauthorized charges. Timeliness of reporting errors or unauthorized use of the account is imperative. There is a limit of 60 days from the statement date for filing any disputes.

### Suppliers

The Purchasing Card is accepted by many of the Companies' suppliers with which the Companies have traditionally conducted business.

Some merchants have been purposely excluded from the Purchasing Card Programme, IE; travel suppliers, airlines and hotels. If the card is presented to an excluded merchant, the

transaction may be declined. If the decline is questionable, the Cardholder should contact the Customer Service number indicated on the card, to determine if the transaction was declined because of merchant exclusion or it exceeded the cardholder's transactional dollar limit or monthly credit limit. If the merchant was improperly excluded, contact the Purchasing Card Coordinator. If the transactional dollar amount or monthly credit limit was exceeded, contact the individual who approved the issuance of the Purchasing Card, to determine if the card limit should be increased.

#### Auditing

Audits may be conducted to ensure that proper expenditure of funds has occurred and to gather data on how, where, and for what purpose the cards were used.

- Comparison of Cardholder supplied information to Purchasing Card consolidated data
- Requests for explanations of any discrepancies found between Cardholder data and Purchasing Card consolidated data
- Review of Cardholder receipts and records to confirm expenditures are in accordance with the Companies' Purchasing Card Policies and Procedures.

#### **4. INVENTORY ITEMS**

##### Procedure

- a. Purchasing Department based on established stock order points and advice from user departments shall initiate a Request for Quotation. Vendor Contracts may be used for repeat purchases, for a specified period of time. Users may request higher stock order points in writing for owned inventory items.
- b. The Opening Committee shall open sealed quotations.
- c. The Purchasing Department shall prepare a quotation summary and recommendation signed by the Director, Purchasing Services.
- d. Up to \$250,000.00 value, the Purchasing Department is authorized to proceed.
- e. Over \$250,000.00 value, the **Director, Purchasing Services** shall obtain the required co-signature.
- f. After the required approval, the Purchasing Department shall issue Purchase Order(s) signed by the **Director, Purchasing Services** or his designate for the specific items.
- g. A storekeeper will make the receipt of material. The receipt information will be passed to the Finance Department. Any discrepancies between a purchase order and an invoice will be resolved by the buyer for that order, and approved by the **Director, Purchasing Services**.



## 5. **NON-INVENTORY ITEMS**

### Procedure

- a. The user department shall forward a Purchase Requisition and Specifications to the Purchasing Department. Vendor Contracts may be used for repeat purchases, for a specified period of time.
- b. The Purchasing Department shall initiate a request for quotation.
- c. An Opening Committee shall open sealed quotations.
- d. A Quotation Summary and Recommendation signed by the **Director, Purchasing Services** shall be prepared by the Purchasing Department in conjunction with the user department to ensure that specifications have been met for approval by the user department.
- e. Up to \$100,000.00 value, the Purchasing Department is authorized to proceed.
- f. Over \$100,000.00 value, the **Director, Purchasing Services** will obtain the required co-signature.
- g. After the required approval, the Purchasing Department shall issue Purchase order(s) signed by the **Director, Purchasing Services** or his designate for the specific items.
- h. The receipt of material will be by a storekeeper. The receipt information will be passed to the Finance Department. Any discrepancies between a purchase order and an invoice will be resolved by the buyer for that order, and approved by the **Director, Purchasing Services**.

## 6. **SMALL, NON-INVENTORY & MISCELLANEOUS ITEMS** requested by user departments under \$1,000.00

### Procedure

- a. The Buyer will, after receipt of an approved requisition or communication, source the requirement as necessary and authorize the selected vendor to proceed. The Buyer will maintain a record of the transaction.
- b. Each card user will forward purchasing card documentation to the Finance department monthly with charge numbers and back up for all items on the AMEX Purchasing Card.
- c. A user may telephone from a vendor's premises to the Purchasing Department to request an immediate purchase from that vendor.



## **7. SINGLE SOURCE ITEMS**

### Procedure

- a. For non-inventory items, the user department shall forward an approved Purchase Requisition with a Specification to the Purchasing Department. The Purchasing Department shall negotiate Price with a summary signed by the **Director, Purchasing Services**, prepared by the Purchasing Department for approval by the user department. A cross-functional team may be established to evaluate submissions.
- b. Up to \$100,000.00 value, the Purchasing Department is authorized to proceed.
- c. Over \$100,000.00 value, the **Director, Purchasing Services** shall obtain the required co-signature.
- d. The Purchasing Department shall issue Purchase Orders signed by the **Director, Purchasing Services** or his designate for the specific items.
- e. A storekeeper will make the receipt of material. The receipt information will be passed to the Finance Department. Any discrepancies between a purchase order and an invoice will be resolved by the buyer for that order, and approved by the **Director, Purchasing Services**.

## **8. EMERGENCY ITEMS**

### Procedure

- a. The Purchasing Department upon receipt of the written report shall issue a confirming Purchase Order signed by the **Director, Purchasing Services** or his designate, following approval procedures set out in the Purchase of Non-Inventory Items. (page 25)
- b. A storekeeper will make the receipt of material. The receipt information will be passed to the Finance Department. Any discrepancies between a purchase order and an invoice will be resolved by the buyer for that order, and approved by the **Director, Purchasing Services**.



## **9. EMERGENCY SERVICES**

### Procedure

- a. The Purchasing Department upon receipt of the written report shall issue a confirming Purchase Order signed by the **Director, Purchasing Services** or his designate, following approval procedures set out in the Purchase of Non-Inventory Items. (page 25)
- b. A storekeeper will make the receipt of material. The receipt information will be passed to the Finance Department. Any discrepancies between a purchase order and an invoice will be resolved by the buyer for that order, and approved by the **Director, Purchasing Services**.

## **10. CONSULTING SERVICES**

### Procedure

- a. Each engagement over \$5,000.00 must have a letter/memorandum of engagement, which identifies the issues below, not limited to the following: File Description, Deliverables to be prepared, Deliverable Dates, Completion Date, Costs, Warning Flag, Review of File, Project Description, Reports Opinions meetings, Timetable, Expected Date of project Completion, Fixed Estimated Budget, T & M to an amount subject to review, Supplier to notify EnWin when 75% of Budget is expended.
- b. Up to \$10,000.00 value, the user department in conjunction with the Purchasing Department is authorized to negotiate and issue a Contract Purchase Order. A decision matrix will be created prior to receiving submissions that will list and weight each factor that will be considered during analysis of the quotes received. This decision matrix will be a significant factor in determining the successful proponent.
- c. Over \$10,000.00 value, Invitations to Tender shall be issued by the Purchasing department.
- d. The sealed tenders shall be opened by the Manager and the Director, Vice-President, or the C.E.O., with a representative from Purchasing. A committee consisting of the Director or Superintendent with a representative from Purchasing may open tenders under \$25,000.00.
- e. The Purchasing department shall prepare a Tender Summary and Recommendation signed by the Director.
- f. Up to \$10,000 the user department is authorized to proceed with approval from the Department Head, and the issue of a Contract Purchase Order.



- g. \$10,001 to \$50,000.00 values, the user department shall submit to Vice-President for approval.
- h. \$50,001.00 to \$100,000.00 values, the C.E.O.'s approval shall be obtained.
- i. Over \$100,000.00 the CEO shall obtain Board of Director approval.
- j. After required approval, a contract for the purchase of services shall be confirmed by the issue of a Purchase Order referencing the contract document. (Contract Purchase Order)
- k. A requisition must be provided by the User Department in order that the Purchase Order shall, by line, indicate the payment schedule provided in the contract. This includes deposits, progress payments, hold back and final payment.. The user department shall be responsible for receiving, approving and forwarding to the Finance Department and Stores for payment of all invoices related to the contract. The user department shall receive invoices for progress and final payments.
- l. If and when there is a requirement for extra work to be included in an existing contract, the user department will prepare a requisition detailing the project number, project title, consultant or contractor value of extra work required , percentage of retention, and amount due by this payment. Should the original scope plus the extra work dollar value exceed the approval originally obtained, the User Department is required to resubmit the total value for approval. The Contract Purchase Order will be modified to add the requisitioned extra work after approval.
- m. The invoice shall be signed by the Superintendent/Supervisor and approved for payment by the Department Head and forwarded to the Finance Department for payment, with a copy to the Stores Foreperson, to enable receipt of the service to date.

## **11.CONTRACTOR SERVICES**

### **Procedure:**

- a. Each engagement over \$5,000.00 must have a letter/memorandum of engagement, which identifies the issues below, not limited to the following: File Description, Deliverables to be prepared, Deliverable Dates, Completion Date, Costs, Warning Flag, Review of File, Project Description, Reports Opinions meetings, Timetable, Expected Date of project Completion, Fixed Estimated Budget, T & M to an amount subject to review, Supplier to notify EnWin when 75% of Budget is expended.



- b. Up to \$10,000.00 value, the user department in conjunction with the Purchasing Department is authorized to negotiate and issue a Contract Purchase Order. A decision matrix will be created prior to receiving submissions that will list and weight each factor that will be considered during analysis of the quotes received. This decision matrix will be a significant factor in determining the successful proponent.
- c. Over \$10,000.00 value, Invitations to Tender shall be issued by the Purchasing Department
- d. The sealed tenders shall be opened by the Department Head or Superintendent and the Director, Vice-President, or the C.E.O., with a representative from Purchasing. A committee consisting of the Director or Superintendent with a representative from Purchasing may open tenders under \$25,000.00.C.E.O.
- e. The Purchasing Department shall prepare a Tender Summary and Recommendation signed by the Director.
- f. Up to \$10,000 the user department is authorized to proceed with approval from the Department Head, and the issue of a Contract Purchase Order.
- g. \$10,001.00 to \$50,000.00 values, the user department shall submit to the Vice-President for approval.
- h. \$50,001.00 to \$100,000.00 values, the C.E.O.'s approval shall be obtained.
- i. Over \$100,000.00 the Director of Purchasing shall submit to the Board of Directors for approval.

After required approval, a contract for the purchase of services shall be confirmed by the issue of a Purchase Order referencing the contract document. (Contract Purchase Order)

- j. A requisition must be provided by the User Department in order that the Purchase Order shall, by line, indicate the payment schedule provided in the contract. This includes deposits, progress payments, hold back and final payment.. The user department shall be responsible for receiving, approving and forwarding to the Finance Department and Stores for payment of all invoices related to the contract.
- k. If and when there is a requirement for extra work to be included in an existing contract, the user department will prepare a requisition detailing the project number, project title, consultant or contractor value of extra work required, percentage of retention, and amount due by this payment. Should the original scope plus the extra work dollar value exceed the approval originally obtained, the User Department is required to resubmit the total value for approval. The Contract Purchase Order will be modified to add the requisitioned extra work
- l. The invoice shall be signed by the Superintendent/Supervisor and approved for payment by the Department Head and forwarded to the Finance Department for payment, with a copy to the Stores Foreperson to enable receipt of the service to date.



## **10. CONTRACTED SERVICES**

### **Procedure:**

- a. Each engagement over \$5,000.00 must have a letter/memorandum of engagement, which identifies the issues below, not limited to the following: File Description, Deliverables to be prepared, Deliverable Dates, Completion Date, Costs, Warning Flag, Review of File, Project Description, Reports Opinions meetings, Timetable, Expected Date of project Completion, Fixed Estimated Budget, T & M to an amount subject to review, Supplier to notify EnWin when 75% of Budget is expended.
- b. Up to \$10,000.00 value, the user department in conjunction with the Purchasing Department is authorized to negotiate and issue a Contract Purchase Order. A decision matrix will be created prior to receiving submissions that will list and weight each factor that will be considered during analysis of the quotes received. This decision matrix will be a significant factor in determining the successful proponent.
- c. Over \$10,000.00 value, Invitations to Tender shall be issued by the Purchasing department
- d. The sealed tenders shall be opened by the Department Head or Superintendent and the Director, Vice-President,, or the C.E.O., with a representative from Purchasing. A committee consisting of the Director or Superintendent with a representative from Purchasing may open tenders under \$25,000.00.
- e. The Purchasing department shall prepare a Tender Summary and Recommendation signed by the Director
- f. Up to \$10,000 the user department is authorized to proceed with approval from the Department Head, and the issue of a Contract Purchase Order.
- g. \$10,001.00 to \$50,000.00 values, the user department shall submit to the Vice-President for approval.
- h. \$50,001.00 to \$100,000.00 values, the C.E.O.'s approval shall be obtained.
- i. Over \$100,000.00 the Director of Purchasing shall submit to the Board of Directors for approval.
- j. After required approval, a contract for the purchase of services shall be confirmed by the issue of a Purchase Order referencing the contract document. (Contract Purchase Order)

- k. A requisition must be provided by the User Department in order that the Purchase Order shall, by line, indicate the payment schedule provided in the contract. This includes deposits, progress payments, hold back and final payment.. The user department shall be responsible for receiving, approving and forwarding to the Finance Department and Stores for payment of all invoices related to the contract.
- l. If and when there is a requirement for extra work to be included in an existing contract, the user department will prepare a requisition detailing the project number, project title, consultant or contractor value of extra work required, percentage of retention, and amount due by this payment. Should the original scope plus the extra work dollar value exceed the approval originally obtained, the User Department is required to resubmit the total value for approval. The Contract Purchase Order will be modified to add the requisitioned extra work after approval
- m. The invoice shall be signed by the Superintendent/Supervisor and approved for payment by the Department Head and forwarded to the Finance Department for payment, with a copy to the Stores Foreperson to enable receipt of the service to date.



### 13. SCRAP, OBSOLETE OR SURPLUS ITEMS

#### Procedure

- a. The Purchasing Department shall initiate a Request for Quotation or solicit bids from interested parties.
- b. An Opening Committee shall open sealed quotations. Where obsolete vehicles and/or equipment are being sold, the opening committee may consist of the Purchasing Staff member, and the **Director, Purchasing Services**.
- c. A Quotation Summary and Recommendation signed by the **Director, Purchasing Services** shall be prepared by the Purchasing Department for approval by the user department.
- d. The Purchasing Department is authorized to proceed.
- e. The Purchasing Department shall release the item to the successful bidder.
- f. Where obsolete vehicles are sold, a list of vehicles for sale will be posted on Company bulletin boards with the minimum (reserve) bid for each unit. The reserve bid amount will be determined by the published wholesale price for the unit and review between the auctioneer and Fleet Department staff. Interested employees of Companies, may submit a sealed bid for a unit(s) with the reserve the minimum acceptable bid. The highest bid, if more than one received, over the minimum will be accepted from an employee. The transfer of ownership will be processed per M.T.O requirements.. The Conditions of Sale shall include "as is - where is" and that the Corporation reserves the right to accept or reject any or all offers. Deposits with bids shall be Certified Cheque or cash, with the balance of payment being made in kind by the successful bidder. Where the high bid is higher than the posted reserve and considered by the Purchasing Department as fair value for the vehicle, considering its age, condition, etc., the sale shall be transacted. Where the high bid is not higher than the reserve the vehicle will not be sold to an employee. Vehicles not sold to employees will be sent for auction or public sale.  
  
Leased vehicles may be available for employee purchase upon the expiry of the Corporations' lease. Interested employees should enter into direct negotiations with the Lessor. Fleet or Purchasing can provide the Lessor contact to an employee.
- g. The Purchasing Department will return cheques or cash to unsuccessful bidders and will forward the funds from successful bidders to the Finance Department
- h. Where scrap is sold, the Purchasing Department will submit to the Finance Department a General Credit & Charge Sales Sheet to initiate an invoice to the successful bidder.
- i. Sale of obsolete furniture and equipment etc, under \$1000.00 estimated value per item, will be offered to employees on sealed offer basis. The Corporation reserves the right to reject any or all offers for this material. The Purchasing Department may specify a minimum bid. All items



not sold to employees may be offered for sale to vendors or may be scrapped by the Purchasing Department, if the items are of little or no commercial value.

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