

9. Purchasing Policy

Objective: The purpose of this policy is to insure the MRWCC's accountability for its use of public and donor funds in the acquisition of goods and services is within the organization's objectives and mission statement; and to establish guidelines for the acquisition of goods and services.

Context: Except as otherwise specifically delegated by the Board of Directors, the procurement of goods and services from all sources of Council revenue including but not limited to general operating funds, project funds, directed contributions and other monies held in trust for special purposes, shall be the responsibility of the Executive Director.

Statement of Policy:

1. A purchase decision is normally the result of a process, which includes identifying a need, considering alternatives, which can satisfy the need, and selecting the best value alternative.

Basic Principles

- 1.1 The management of MRWCC assets involves obtaining the lowest possible cost when obtaining goods and services, considering their usage, quality and delivery.
 - 1.2 Whenever possible, the purchase of goods or services is based upon written specifications.
 - 1.3 The MRWCC is committed to using a competitive process to acquire services from external service providers wherever possible.
 - 1.4 Any MRWCC member responsible for procurement must not stand to benefit personally or financially from the process at hand or in any subsequent purchases.
2. This policy is not applicable to normal operating expenses such as:
 - 2.1 Expenditures explicitly covered in other MRWCC Policy statements;
 - 2.2 Salary deductions derived from legal or statutory obligations;
 - 2.3 General MRWCC obligations derived from the AGM (e.g. Audit Expenses)
 - 2.4 Utility costs (e.g. telephone)
 - 2.5 Expenses and Honoraria
 - 2.6 Membership Fees
 - 2.7 Invoiced Office Expenses from Host Organization

3. Authorization Levels

Except where noted in 2.1, all purchases of an amount above the discretionary spending limit on the Executive Director (\$1,000) must have a written authorization. Authorization can be in the form of an e-mail or e-mails. Purchases of \$10,000 or less require authorization of at least 2

Executive Members of the Board of Directors. Purchases in excess of \$10,000 must be approved by resolution of the Board of Directors.

4. Soliciting Contract Services

Competition is open, fair and defensible and ensures the best value for the money.

4.1 Contractor Solicitation Options

There are several options for soliciting contracts and the method chosen must be documented in the Project Terms of Reference:

4.1.1 Competitive Tenders

MRWCC invites proposals from external service providers who are invited to submit a proposal. The tender process may be "open" or "limited".

Open Tendering: any interested service provider may submit a proposal in response to the MRWCC's call for proposals.

Limited Tendering: a limited group of service providers are invited to submit proposals. The tender may be restricted to service providers:

In a particular geographic area (e.g. local only)

Who are on a resource list of pre-approved service providers.

4.1.2 Direct Competition

This is an open process where proposals of all interested service providers are considered.

Direct competition is most suitable when the MRWCC desires to elicit a wide variety of ideas on how to provide the service or where the MRWCC wishes to hear from different types of service providers.

Direct competition is also most suitable when the MRWCC wants to learn more about the qualifications of service providers who have never provided services to the MRWCC.

4.2 Invitation to Quote

This method consists of inviting selected service providers to submit a quote.

This method should only be used for contracts that are either very specific or very simple in nature and pose minimal risk (e.g. insurance). A minimum of three quotes should be obtained.

4.3 Sole Sourcing

MRWCC invites a single eligible service provider to submit a proposal. The selected service provider is not to be awarded a contract without the solicitation and evaluation of a written proposal from the service provider.

Every effort must be made to ensure MRWCC's policy and best practices are complied when sole sourcing. Justification for sole sourcing must be clearly documented in the Project Terms of Reference.

4.3.1 Sole Sourcing is available in the following circumstances:

a) A situation of unforeseen emergency exists and there is insufficient time for open competition. To justify the sole sourcing decision, the circumstances that have led to the emergency and the time constraints that make competition impossible must be specifically detailed in the Project Terms of Reference.

An 'emergency' is defined as: 'a circumstance whereby supplies are required immediately to sustain critical operations.'

The best practice in this situation is to obtain the services on as short a term as possible and to take immediate steps to arrange a competition.

b) The contract is to procure a prototype or service to be developed in the course of and for a contract for research, experiment, study or original development but not for any subsequent purchases.

c) No bids or proposals were received as a result of an open competition. The steps previously taken to obtain a proposal competitively should be appropriately documented.

d) Where the goods or services are of a confidential or privileged nature and open competition is expected to compromise that confidentiality. A description of the confidential service must be provided along with an explanation as to how open competition would compromise confidentiality.

e) Where there is only one service provider qualified to provide the particular service. This contention must be documented with as much proof as possible.

f) Where the service to be provided relates to property already guaranteed or warranted by a particular service provider.

g) Where it is necessary to ensure compatibility with existing products, to recognize exclusive rights such as licenses, patents or copyrights or to maintain specially manufactured products.

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