

PROCUREMENT

Policy

To ensure ethical, efficient and accountable sourcing, contracting and purchasing procurement practices are conducted for the purpose of obtaining goods and services that will benefit Metropolitan United Church and its members. Goods are material items that are produced and purchased. Services relate to the delivery or provision of skills, expertise, goods and/or actions.

Procurement of Goods and Services

1. Contracting services, renovations, maintenance work, replacement/purchase of church property all require prior approval at three threshold levels:
 - a. Expenditures under \$400 are considered for approval at the respective Committee level.
 - b. Expenditures between \$400 and \$4,000 require consideration and acceptance at the respective Committee level, followed by a formal recommendation to the church treasurer.
 - c. After discussion and acceptance by the treasurer and Finance Committee, the recommendation is taken by the treasurer to the Board of Elders for its consideration and approval. If the Finance Committee disapproves of the expenditure or service, the formal request is referred back to the “requesting” committee.
 - d. Significant renovations, purchases or services beyond \$4,000 require formal consideration and submission through respective committees to the treasurer, Finance Committee and Board of Elders. The process may require involvement of the Board of Trustees, depending on the nature of the goods or services in question.
2. Committees that report to the Board are responsible for bringing forth recommendations for the purchase of material items, contracting of services, and development of programs/services.
3. All final decisions for the procurement of goods and services rest with the Board of Elders.
4. Budgeted expenditure requests in the current year are compiled in detail and submitted to the church treasurer annually in accordance with the direction provided by the Board of Elders.
5. Unbudgeted expenditure requests in the current year are submitted to the church treasurer who subsequently brings all such requests to the Finance Committee for review. If the Finance Committee accepts the proposal for an unbudgeted expenditure, a recommendation is made to the Board of Elders for its consideration and approval in the current year.
6. No administrative action is taken for the actual procurement of goods and/or services before full authorization is made and communicated by the Board of Elders to those seeking unbudgeted funding.

Procurement Procedures

Metropolitan follows specific steps for the acquisition of goods and services ...

1. **Identification of Need.** Leaders recognize a requirement, a need, a service and begin to evaluate and research the need.
2. **Standards Determination.** The right product and/or best quality service is considered. Requirements should provide the maximum benefit to Metropolitan and its members for the funds that will be disbursed.
3. **Identification of Supplier.** There are many source options to use when seeking suppliers. Searches may involve networking, include the use of the internet, magazines, contact with a number of sales representatives, etc.
4. **Value Analysis.** Securing at least three quotations from qualified suppliers or vendors provides a range of prices and products or services. Prices and terms are then thoroughly evaluated before a

supplier is chosen.

5. **Negotiation.** Prices, availability, delivery, etc. are discussed and agreed upon with the chosen supplier to ensure all conditions of procurement are acceptable to both parties.
6. **Purchase Order or Contract.** Terms and conditions of the agreement are documented and may include completion of a purchase order form for material items, and a contract for specified services.
7. **Administration.** Orders to a supplier or contracts for services may be hand delivered, sent by e-mail, faxed or couriered. Recipients are asked to provide written acknowledgment of an order or contract.
8. **Time Line.** All orders include a time frame for the production of material items, and a due date for delivery of material items and services. Contracts specify all relevant details including time lines for each segment of the service.
9. **Receipt of Purchases/Service.** When received, purchased items are thoroughly inspected to ensure they meet the standards and specifications outlined in the original order. After a service has been completed, the operation/performance is thoroughly evaluated. Acceptance of purchases obligates Metropolitan to pay for them.
10. **Invoice Approval and Payment.** Invoices for procured goods and services are verified against original quotations, orders and documentation with the delivered items before they are paid. If discrepancies are found, the supplier is contacted by a person in authority for clarification. Otherwise cheques are authorized and issued within 30 days from receipt of the invoice or satisfactory delivery of goods and/or services. Where services are contracted, the payment method is often included in the contract.
11. **Records on File.** All procurement approvals and supporting documentation are retained as Metropolitan records for auditing, tax and warranty information, as well as future review of purchases and/or services.
12. At the first meeting of the new term each year, the treasurer and Board of Elders review this policy.

Related Metropolitan Policies

- Board of Trustees
- Property Committee
- Finance Committee

Related Documents/External Resources

- Unbudgeted Request Form
- Budgeted Request Form

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