

Administration

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References: Broader Public Sector Procurement Directive, CAS Tools / Templates

Finances
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PROCUREMENT – GOODS, SERVICES AND CONSULTING SERVICES

POLICY

The Society follows the requirements outlined in the Broader Public Sector Procurement Directive (Effective April 1, 2011) to ensure that the procurement of all goods and services achieve value for money and are completed in an open, fair and transparent manner.

The objective of this policy is to establish procedures to acquire and supply at the right time and in the most economical manner the goods, services and consulting services needed to meet the agencies requirements in keeping with the following principles;

- Accountability – The Society must be accountable for the results of its procurement decisions and the appropriateness of the processes
- Transparency – The Society must be transparent to all stakeholders. Wherever possible, stakeholders must have equal access to information on procurement opportunities, processes and results
- Value for Money – The Society must maximize the value it receives from the use of public funds. A value-for-money approach aims to deliver goods and services at the optimum total lifecycle cost
- Quality Service Delivery – Front-line services provided by the Society must receive the right product, at the right time, in the right place.
- Process Standardization – Standardized processes remove inefficiencies and create a level playing field.

Application of this Policy

This policy applies to Board members, senior executives and any employees (or their equivalent) of the Society.

This policy applies to all goods, construction, and services, including but not limited to IT and consulting services acquired by the Society.

Exceptions & Exemptions to this Policy

Where the Society has relied on an exception or exemption to this policy, the rationale for the exception or exemption must be formally documented

Refer to [Appendix "A"](#) for exceptions and exemptions to this policy. Exemptions and exceptions relate to the procurement of the goods/or services only. All other requirements of the policy apply, including documentation, contract management, supplier management, etc.

Segregation of Duties (Mandatory Requirement #1) (Directive Section 7.2.1)

The Agency must segregate at least three of the five functional procurement roles: Budgeting, Commitment, Requisitioning, Receipt, and Payment. The roles must lie with different departments or, at minimum with different individuals.

Note: If the organization's size does not permit full segregation as above, adequate compensating controls must be developed, approved by the Agency's external auditors.

Code of Ethics

The Ontario Broader Public Sector Supply Chain Code of Ethics must be formally adopted in accordance with the Board of Directors governance processes. The Society will ensure that the Code is available and visible to all members of the organization and to suppliers and stakeholders involved with the Supply Chain process.

Ontario Broader Public Sector Supply Chain Code of Ethics

Goal: To ensure an ethical, professional and accountable BPS supply chain.

I. Personal Integrity and Professionalism

Individuals involved with Supply Chain Activities must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all Supply Chain Activities within and between BPS organizations, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. Participants must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favors, providing preferential treatment, or publicly endorsing suppliers or products.

II. Accountability and Transparency

Supply Chain Activities must be open and accountable. In particular, contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for public money. All participants must ensure that public sector resources are used in a responsible, efficient and effective manner.

III. Compliance and Continuous Improvement

Individuals involved with purchasing or other Supply Chain Activities must comply with this Code of Ethics and the laws of Canada and Ontario. Individuals should continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading practices.

PROCEDURES

Approval Authority Schedule & Competitive Procurement Thresholds

GOODS, NON-CONSULTING SERVICES AND CONSTRUCTION		
AMOUNT	MINIMUM PROCEDURES MEANS OF PROCUREMENT	APPROVAL LEVEL
Up to \$50 (non-residential)	Employee signature	Front Line Staff
Up to \$250 (Residential/Kinship Service)	Employee signature	Front Line Staff
Over \$250 up to \$5,000	\$251 - \$2,000 – Managers Signature	Manager
	\$2,001 - \$5,000: One documented verbal quote	
Over \$5,000 up to \$10,000	\$5,001 - 10,000: Two documented verbal quotes;	Director of Services; Manager of Finance
Over \$10,000 up to \$25,000	\$10,001 - \$25,000: Three documented verbal quotes;	Executive Director
Goods over \$25,000	Invitational competitive process (minimum three suppliers invited to bid)	Board of Directors
Goods over \$100,000	Open and transparent competitive process	Board of Directors

- Front Line Staff include Administrative Assistants
- Verbal quotes: documentation shall include a brief description of the goods and services, the name(s) of the vendor(s) solicited, the date of the quote(s), and the rationale for choosing a specific vendor whenever multiple quotations are required.
- Written quotes: documentation shall include a description of the goods or services, a copy of the documentation provided to vendors to solicit quotations, a list of all vendors invited to quote including a note on any vendors who declined to provide a quote, copies of all quotes received, and the rationale for choosing the successful vendor.

For purchases in excess of \$25,000 a plan will be developed that includes the following: A clear definition of the requirements; a justification for the acquisition; an estimate of the cost of the acquisition; a consideration of alternative ways of satisfying the need for the acquisition; External professional expertise may be used in the development of these plans

CONSULTING SERVICES		
AMOUNT	MINIMUM PROCEDURES MEANS OF PROCUREMENT	APPROVAL LEVEL
\$0 - \$5,000	Invitational or open competitive process	Manager Director of Service or Manager of Finance
\$5,001 – \$10,000	Invitational or open competitive process	Executive Director
\$10,001 - \$25,000	Invitational or open competitive process	Board of Directors
\$25,001 to \$99,000	Invitational or open competitive process	Board of Directors
100,000 or more	Open competitive process	Board of Directors

Definitions

Refer to [Appendix “B”](#) for definitions.

“Consulting Services” means the provision of expertise or strategic advice that is presented for consideration and decision-making. Consulting Services provide advice for operational consideration and decision making and not in relation to clinical or case management services

“Invitational Competitive Procurement” means any form of requesting a minimum of three (3) qualified suppliers to submit a written proposal in response to the defined requirements outlined by an individual/organization.

“Competitive Procurement” means a set of procedures for developing a procurement contract through a bidding or proposal process. The intent is to solicit fair, impartial, competitive bids

“Consultant” means a person or entity that under an agreement, other than an employment agreement, provides expert or strategic advice and related services for consideration and decision-making. A consultant provides expert or strategic advice related to operational consideration and decision-making and not to clinical or case

management decision making. A consultant does not include services associated with implementing projects once a strategic decision has been made by Management.

The total value of procurement includes cost of freight, installation but not taxes. For multi-year procurements; calculate the total projected value for the entire period of the anticipated agreement including optional renewals; multiple purchases may not be used to circumvent competitive procurements.

Exceptions & Exemptions to this Policy

Refer to [Appendix "A"](#) for exceptions and exemptions to this policy.

Where the Society has relied on an exception or exemption to this policy, the rationale for the exception or exemption must be formally documented.

Exemptions and exceptions relate to the procurement of the goods/or services only. All other requirements of the policy apply, including documentation, contract management, supplier management, etc.

(See CAS Tools & Templates, 7.2.21 Non Competitive Approval Form)

(See CAS Tools & Templates, 7.2.21 Business Case Template Procurement Exemptions)

(See CAS Tools & Templates, 7.2.21 Agreement on Internal Trade Compliance Checklist)

(See CAS Tools & Templates, 7.2.21 Non Competitive Procurement Process Toolkit)

(See CAS Tools & Templates, [Appendix "A"](#) Exceptions & Exemptions)

(See CAS Tools & Templates, 7.2.21 Agreement on Internal Trade)

Information Gathering (Mandatory Requirement #4) (Directive Section 7.2.4)

The Society may choose to use a formal process such as Request for Information or Request for Expression of Interest, where the results of informal information gathering are not sufficient and where the time and effort required conducting such processes is seen as warranted.

An RFI and RFEI must not be used to prequalify vendors. An RFI or RFEI may not alter or influence the opportunity for a participating supplier to become the successful bidder in any subsequent opportunity.

Information gathered during an RFI and RFEI process is subject to all documentation management requirements of this policy.

(See CAS Tools & Templates, [Appendix "B"](#) Definitions)

(See CAS Tools & Templates, 7.2.4 Request For Information Process Map)

(See CAS Tools & Templates, 7.2.4 Request For Information Toolkit)

Supplier Pre-qualification (Mandatory Requirement #5) (Directive Section 7.2.5)

Suppliers may be prequalified to:

- Gather information about supplier capabilities and qualifications for an immediate purchase
- Gather information about supplier capabilities in advance of expected future competitive procurements

In development of “Request for Supplier Qualification” the Society must include language to ensure there is no obligation to purchase goods or services as the result of prequalification.

(See CAS Tools & Templates, [Appendix “B” Definitions](#))

(See CAS Tools & Templates, 7.2.4 Supporting Procurement Workflows)

(See CAS Tools & Templates, 7.2.5 Request For Supplier Qualification Toolkit)

(See CAS Tools & Templates, 7.2.5 RFSQ VOR List - Procedure Guideline)

Competitive Bid Documents (Mandatory Requirement #6, 7, 8, 25) (Directive Section 7.2.6-7.2.8, 7.2.25)

Competitive bid documents must be made available through an electronic tendering system that is readily accessible by all Canadian suppliers, such as MERX, Bidingo, Ontario Public Buyers Association.

Response times for vendors to bid must be a minimum 15 days for procurements valued at \$100,000 or more. For procurements with a higher degree of complexity, risk or value, a minimum response time of 30 days is required.

Competitive procurement documents must clearly identify a bid submission date and time which falls on a regular working day (Monday to Friday, excluding holidays).

Submissions received after the closing time must be returned unopened.

Competitive procurement documents must include bid dispute resolution procedures to ensure that any bid disputes are handled in fair, ethical, reasonable and timely fashion. The Society must ensure that such resolution procedures comply with similar procedures set out in the Agreements on Internal Trade, Chapter 5, Article 514, Bid Protest Procedures.

(See CAS Tools & Templates, 7.2.6 Stakeholder Consultation Template)

(See CAS Tools & Templates, 7.2.6 Procurement Specifications Template)

(See CAS Tools & Templates, 7.2.6 Procurement Specifications Approval Sign Off Template)

(See CAS Tools & Templates, 7.2.6 Purchasing Approval Sign Off Template)

(See CAS Tools & Templates, 7.2.8 Example Wording for RFP for Bid Receipt)

(See CAS Tools & Templates, 7.2.8 Bid Receipt Log Template)

(See CAS Tools & Templates, 7.2.25 Bid Dispute Resolution Process Options)

(See CAS Tools & Templates, 7.2.25 Bid Dispute Resolution Procedure Guideline)

Evaluation of Bids (Mandatory Requirements #9-14) *(Directive Section 7.2.9 – 7.2.14)*

Evaluation criteria must be developed, reviewed and approved according to the Society's AAS (Per Approval Authority (Mandatory Requirement #2)).

Competitive Procurement Documents

Competitive procurement documents must:

- Disclose evaluation criteria:
 - Must be disclosed in the procurement documents
 - Must include mandatory, rated and other criteria that will be used in evaluation of submissions, including the weight of each criterion.
 - Maximum justifiable weight must be allocated to the cost/price component of the evaluation.
 - Criteria may not be structured to discriminate or provide preferential treatment to any supplier.
 - Mandatory criteria must be kept to a minimum to ensure that no bid is unnecessarily disqualified.
- Clearly state that bids not meeting mandatory requirements will be disqualified
- Disclose the methodology that will be used to evaluate bids, including the method of resolving a tie score
- Clearly state that alternative strategies or solutions will not be considered unless specifically requested in the procurement documents
- Include any options to extend the agreement

Competitive procurement documents may request suppliers to provide alternative strategies or solutions as part of their submission. If such a request is included, the procurement documents must disclose the criterion that will be used to evaluate alternative strategies and solutions

(See CAS Tools & Templates, 7.2.12 Evaluation Matrix Template)

(See CAS Tools & Templates, 7.2.11 Evaluation Handbook)

(See CAS Tools & Templates, 7.2.9 Addendum and Q&A Guidelines)

(See CAS Tools & Templates, 7.2.6 Procurement Specifications Template)

(See CAS Tools & Templates, 7.2.6 Stakeholder Consultation Template)

Evaluation Process

The Society shall create evaluation teams for the purposes of evaluating competitive bids.

Evaluation Teams must:

- Be aware of restrictions related to use of confidential and commercially sensitive information collected through the procurement process
- Refrain from engaging in activities that create or appear to create a conflict of interest
- Individually sign a conflict of interest declaration and non disclosure agreement
- Individually and independently complete an evaluation matrix to rate each submission
- Ensure that all commentary or ratings are fair, factual and defensible
- Not discriminate or exercise preferential treatment in awarding contracts as the result of the competitive procurement process
- Complete evaluation of all non-monetary factors prior to opening/considering price/cost factors
- Declare the winning bid according to the supplier that receives the highest evaluation score and meets all the mandatory requirements set out in the procurement documents

(See CAS Tools & Templates, 7.2.11 Non Disclosure Agreement Template)

(See CAS Tools & Templates, 7.2.11 Conflict of Interest Disclosure Template)

For Complex Procurement Bids Only:

(See CAS Tools & Templates, 7.2.11 Evaluation Team Composition Options)

(See CAS Tools & Templates, 7.2.11 Evaluation Team List and Contact Information Template)

Establishing & Awarding Contracts (Mandatory Requirements #15-20) (Directive Section 7.2.16-7.2.20)

The agreement between the Society and the successful supplier must be formally defined in a signed written contract before the provision or supplying of goods or services commences. Where the procurement documents included a form of agreement, that form is to be used to finalize the agreement. Where an alternative strategy has been used and there is no form of agreement in the procurement documents, the agreement between the Society and the vendor must be defined formally in a signed contract, before delivery of the goods or services.

Where an immediate need exists for goods or services, and the Society and supplier are unable to finalize the contract as described above, an interim purchase order may be used. The justification of such decision must be documented and approved by the appropriate signing authority.

Contracts must:

- Include appropriate cancellation or termination clauses

- For complex procurements including provision of professional services, Society should consider inclusion of assessment, cancellation or termination clauses at specific life cycle stages of the procurement
- Include dispute resolution clauses as per procurement documentation

Contracts for Services must include:

- Clear terms of reference including objectives, background, scope, constraints, staff responsibilities, tangible deliverables, timing, progress reporting, approval requirements and knowledge transfer requirements
- Include rules for expense claim and reimbursement rules which are compliant with the Broader Public Sector Expense Directive

Modifications to terms of agreements

- May only be made when the terms of agreements and options to extend the agreement have been set out in the original procurement documents
- Must be approved by the appropriate authority (See AAS)
- Extensions of agreement beyond those set out in the procurement documents where the extension affects the value and/or stated deliverables of the procurement is a non-competitive procurement

Contract awards must be publicly posted for procurements valued at \$100,000 or more:

- In the same manner as the procurement documents. This award notification will:
- Be posted after the agreement for delivery of goods/services has been finalized
- Include the name of the successful supplier
- Include the start and end dates of the agreement
- Include information on extension options

(See CAS Tools & Templates, 7.2.15 Agreement Process Checklist)

(See CAS Tools & Templates, 7.2.15 Contract Review Checklist)

(See CAS Tools & Templates, 7.2.19 Award Notification Process Checklist)

(See CAS Tools & Templates, 7.2.19 Award Notification Letter Template)

(See CAS Tools & Templates, 7.2.19 Contract Award Letter Template)

For procurements in excess of \$100,000, the Society must inform all unsuccessful suppliers concerning their entitlement to a supplier debriefing. The Society must allow unsuccessful suppliers 60 calendar days following the contract award notification date to request a briefing.

(See CAS Tools & Templates, 7.2.20 Vendor Debriefing Template)

(See CAS Tools & Templates, 7.2.20 Vendor Debriefing Process Checklist)

Non-Competitive Procurement (Mandatory Requirement #21) (*Directive Section 7.2.21*)

The Society may engage in non-competitive procurements only under the circumstances outlined in [Appendix "A"](#).

Non competitive procurements require approval at a (minimum one) level higher on the AAS than a competitive procurement of the same value. Supporting documentation must be completed and approved prior to commencement of non-competitive procurement.

For non competitive procurements, the Society must demonstrate:

- The rationale for selection of the particular supplier or over available suppliers
- How fees charged are commensurate with services being procured

(See CAS Tools & Templates, [Appendix "A"](#), Exemptions & Exceptions)

(See CAS Tools & Templates, 7.2.21 Agreement on Internal Trade)

(See CAS Tools & Templates, 7.2.21 Non Competitive Approval Form Template)

(See CAS Tools & Templates, 7.2.21 Business Case Template Procurement Exemptions)

(See CAS Tools & Templates, 7.2.21 Agreement on Internal Trade Compliance Checklist)

(See CAS Tools & Templates, 7.2.21 Non Competitive Procurement Process Toolkit)

Contract Management (Mandatory Requirement #22-23) (*Directive Section 7.2.22 – 7.2.23*)

The Society shall ensure that:

- All procurements and the resulting contracts are managed responsibly and effectively.
- Payments are made in accordance with the terms of the contract; invoices must contain detailed information sufficient to warrant payment; and, any overpayments are recovered in a timely manner.
- Supplier performance is managed and documented
- Contracts for services include terms as outlined in Mandatory Requirement 15-20 of this policy and that expense claims:
 - Are compliant with contract terms and with Broader Public Sector Expenses Directive
 - Are claimed only as explicitly permitted by the contract
- All procurement documentation and other pertinent information is retained in a recoverable format for seven (7) years including but not limited to:
 - Procurement justification or business case

- All approvals
- Evidence of receipt of deliverables
- Where purchase was via a Vendor of Record, information concerning the process used to select the vendor
- Advertisements, RFI, vendor prequalification
- All responses and submissions
- Vendor consultations
- Evaluations
- Awards
- Contracts
- Payments
- The Society shall handle, store and maintain Supplier confidential and commercially sensitive information:
 - Staff handling and having access to this information are aware of the Society's requirement to protect commercially sensitive information

(See CAS Tools & Templates, 7.2.22 Contract Management Toolkit)

(See CAS Tools & Templates, 7.2.23 Document Retention Toolkit)

Conflict of Interest (Mandatory Requirement #24) *(Directive Section 7.2.24)*

The Society must monitor any conflict of interest that may arise as a result of any employee or other organization member, advisor, supplier or other stakeholder's involvement with supply chain activities. Individuals involved with supply chain activities must declare actual or potential conflicts of interest. Where a conflict arises, it must be evaluated and appropriate mitigating action taken.

(See CAS Tools & Templates, 7.2.11 Conflict of Interest Disclosure Template)

Miscellaneous:

- a) Group Home and Purchased Foster Care boarding rate payments shall be approved by the Manager of Resources. These payments will be consistent with the contract in place with the vendor including the per diem rate established by the Ministry.
- b) Whenever there is a departure from the required procedure as a result of a shortage of suppliers, a long standing relationship or otherwise, approval shall be obtained from the approval authority level above that which would otherwise be appropriate. A request for such approval shall be accompanied by a written explanation as to why the required procedure should not be followed. The rationale for the departure should incorporate the principles of planning, acquiring, and managing purchases as outlined in this policy.

- c) The Manager of Finance and Administration and/or the Executive Director shall negotiate building and property maintenance agreements and leases. Agreements for the purchase of services for clients may be negotiated by the child protection worker and approved by the worker, the manager or the Director of Service, in compliance with approval authority levels listed above.
- d) The Society shall approve the appointment of auditors at the Annual General Meeting.
- e) Client-related expenses may be accessed by cheque using the Invoice for Payment form, or by petty cash.

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