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| Finance | Procurement of Goods and Services | Total Pages: 24 |
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**Purpose:**

Family and Children’s Services of Frontenac, Lennox and Addington (FACSFLA) is an Agency primarily funded by the Province of Ontario with public resources.

This policy supports the Agency’s commitment to the effective and efficient use of public resources.

This policy ensures the Agency is accountable to its funders and stakeholders and is able to demonstrate that procurement activities are conducted in an honest and ethical manner, that spending practices are transparent, fair, reasonable and appropriate to fulfill the mission of the Agency. This policy ensures that where possible, the Agency takes advantage of process standardization and economies of scale in all procurement practices. This policy ensures that maximum value for money is attained in all procurement activities, while delivering the highest possible quality of service to our clients.

**Governing Principles**

The Agency conducts all of its procurement activities according to the Supply Chain Code of Ethics.

Supply Chain Code of Ethics

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Family and Children’s Services of Frontenac, Lennox and Addington will ensure that supply chain activities are conducted in an ethical, professional and accountable manner.

**Personal Integrity and Professionalism**

Individuals involved with Supply Chain Activities must act, and must be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all Supply Chain Activities within and between the Agency, 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 favours, providing preferential treatment or publicly endorsing suppliers or products.

**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 reasonable, efficient and effective manner.

**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.

**Definitions/Background/Explanatory Notes:**

Appendix “A” Definitions

Appendix “B” Exemptions & Exclusions

**Legislation/Regulations/Standards/Agency Policy:**

Ontario Ministry of Government Services, Broader Public Sector Procurement Directive, issued July 1, 2011

**Applicable Legislation and Regulations**

Ontario Ministry of Government Services Broader Public Sector Procurement Directive, issued July 1, 2011.

Ontario-Quebec Trade and Cooperation Agreement

Agreement on Internal Trade

**Related References, Policies, Procedures and Forms**

Policies

Procurement Policy

Delegation of Financial Expenditure Authorization

Agency Banking Authority Document

Forms

Refer to point 11 Resources to Support the Procurement Process for supporting forms and handbooks

**Procedure:**

1. **Supply Chain Code of Ethics/Conflicts of Interest**

The Agency ensures that all staff members are aware of their personal and individual responsibility to comply with the BPS Supply Chain Code of Ethics (the Code). The Supply Chain Code of Ethics will form part of the Agency’s employee handbook.

The Agency ensures that all interested parties may access the Code by posting it on the Agency’s public website. The Code included in all competitive procurement documentation.

The Agency will monitor any conflict of interest that arises as the result of staff, advisors, consultants or suppliers involvement in Supply Chain activities. Individuals involved in the procurement function are required to declare actual or potential conflicts of interest. Where such conflicts arise, the Agency will evaluate and take appropriate mitigating action.

1. **Segregation of Duties**

The Agency will ensure that responsibility for at least three of the five purchasing roles (requisition, budgeting, commitment, receipt and payment) rest with different individuals or departments.

The Agency’s Procedure Delegation of Financial Expenditure Authority, Appendix “B” outlines the requisite segregation of duties.

1. **Approval Authority**

The Agency will establish delegated financial expenditure approval schedules and will ensure that all procurements are approved at the appropriate organizational level, prior to commencement.

The Agency’s Procedure Delegation of Financial Expenditure Authority, Appendix “A” outlines the Agency’s Delegation of Financial Expenditure rules.

1. **Competitive Procurement Thresholds**

The process (type of procurement) by which goods, non-consulting services and consulting services are acquired will vary according to the type of acquisition and the expected total value of the acquisition.

***Goods and Non-Consulting Services***

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| --- | --- | --- | --- |
| Goods, Non-Consulting Services & Construction | | | |
| Total Procurement Value | Means of Procurement | Type of Procurement (for the purposes of this procedure) | Form of Contract\* |
| < $1,000 | No quotation required, sole source acceptable | Non-competitive | Verbal purchase order/informal |
| $1,000 - $4,999 | Minimum 1 documented verbal quotation required | Non-competitive | Verbal purchase order/informal |
| $5,000 - $10,000 | Minimum 3 documented verbal quotations required | Non-competitive | Verbal purchase order/informal/signed quote |
| $10,000 - $100,000 | Minimum 3 written quotations required  Agency may elect to use invitational or open competitive process. | Non-competitive,  Invitational or  Competitive | Formal purchase order or purchase agreement  Contract for invitational or competitive procurement |
| $100,000 and up | Open competitive process required | Competitive | Contract |
| \*Purchase documentation for procurements is signed according to the Agency’s Designated Financial Expenditure Authority policy. | | | |

***Consulting Services***

Irrespective of estimated value, the Agency will engage in competitive procurement for consulting services.

|  |  |  |  |
| --- | --- | --- | --- |
| Consulting Services | | | |
| Total Procurement Value | Means of Procurement | Type of Procurement (for the purposes of this procedure) | Form of Contract\* |
| $0 - $100,000 | Invitational or open competitive process | Competitive or  Invitational | Contract |
| $100,000 and up | Open competitive process | Competitive | Contract |
| Non-Competitive (based on excluded consulting services only)  $0-$1,000,000 | Executive Director or Board Chair | Non-competitive | Contract or formal purchase agreement |
| Non-Competitive (based on excluded consulting services only)  Over $1,000,000 | Board of Directors | Non-competitive | Contract or formal purchase agreement |
| \* Purchase documentation for procurements is signed according to the Agency’s Designated Financial Expenditure Authority policy. | | | |

***Value of Procurements/No Subdivision***

For the purposes of determining method of procurement, the value of the contract estimated cost of the contract over the entire life cycle of the contract, including contract extensions but not including sales taxes.

The Agency will not reduce the overall value of a procurement (i.e.: by subdividing a single procurement into multiple contracts) to circumvent competitive procurement thresholds.

1. **Competitive Procurement Processes**

As outlined within this procedure, gathering of information, sourcing of suppliers, supplier pre-qualification and document preparation related to competitive procurement activities the responsibility of the staff member requisitioning the procurement.

The Executive Director will have overall responsibility to ensure the Agency is compliant with the requirements of this Procurement Procedure and with Procurement Policy. The Executive Director or designate will have standing membership in all evaluation activities and working groups and play a coordinating role in all procurement activities with a valuation of over $10,000.

Where the Agency is to engage in a competitive procurement, the requisitioner will meet with the Executive Director or designate to create a work plan for the procurement. The work plan will consider:

* Information gathering / research requirements,
* Location of bid posting,
* Appointment of the evaluation team, giving consideration to the breadth of knowledge and skills required to appropriately evaluate bids and ensuring that stakeholders having a direct interest in the procurement are represented on the team,
* Ensuring evaluation team members have signed confidentiality and conflict of interest documentation,
* Confirmation that the procurement has been approved according to the Agency’s Designated Financial Authority Expenditure Procedure
* Any necessary assignment of procurement roles to individuals within the Agency.
* A determination of outside resources required to assist in the preparation of bid documents
* A determination should be made as to whether suppliers will be requested to provide alternative strategies or solutions and how such alternatives to be evaluated. (See evaluation criteria (f) below).

The work plan will be consistent with the risk level, dollar valuation and complexity of the procurement under consideration. Written documentation related to work plans will form part of the procurement documentation file (per Section 10).

Bid Documentation & Procedures

1. Form of Contract included in Bid/Term of Contract

Bid documents will include the formal contract that will ultimately be confirmed between the Agency and the successful bidder. (Form “A” Contract). Bid documents to be include the term of the agreement and any options to extend the term of the agreement.

1. Posting of Documents

Calls for open competitive procurements made through an electronic tendering system that is readily accessible by all Canadian suppliers. The Agency posts bids on Merx website and the Agency’s website but retains discretion to utilize other public tendering sites.

Posting of documents is an offer to contract and as such, has the potential to bind the Agency. The actual bid documents are signed by an officer of Agency having sufficient authority.

1. Timelines for Posting

For procurements of $100,000 or more, suppliers are provided with a minimum response time of 15 calendar days or more. For procurements of greater complexity/risk or higher dollar value, the Agency will consider providing response times of 30 calendar days or more.

1. Bid Receipts

Bid submission date and closing time are clearly stated in competitive procurement documents. The closing dates for bid submissions will be on a normal working day and will not be on a provincial or national holiday.

1. Supply Chain Code of Ethics

Bid documents will include a copy of the Agency’s Supply Chain Code of Ethics.

1. Evaluation Criteria/Methodology

Evaluation criteria are developed, reviewed and approved by the relevant Evaluation Team (see point g) prior to the issuance of competitive procurement documentation.

The Agency will make efforts to minimize mandatory criteria (e.g. technical standards) to ensure that no bid is unnecessarily disqualified.

Maximum justifiable weighting are allocated to the price/cost component of the evaluation criteria.

Evaluation criteria may not be modified after issuance of bid documents, unless by means of addendum.

Where suppliers are requested to provide alternative strategies or solutions, evaluation criteria are established and included in bid documentation. If suppliers have not been specifically requested to provide alternative strategies or solutions, such alternatives may not be considered in the bid evaluation.

Competitive procurement documents clearly outline the methods by which bids will be evaluated, including criteria, weighting, and manner of breaking a tie score. Documents will clearly state that submissions not meeting mandatory criteria will be disqualified.

Competitive procurement documents outline bid dispute resolution procedures to ensure that any dispute is handled in a fair, reasonable and timely fashion.

1. Evaluation Team

The evaluation team is appointed in the planning phase of the procurement and consist, at minimum, of the Executive Director or designate, the requisitioner of the goods or services and at least one other staff member or, where appropriate, outside technical expert.

The evaluation team will be responsible for:

* Establishing mandatory criteria
* Establishing weighted criteria
* Assigning weights to criteria
* Creating and completing evaluation matrices

Evaluation team members are responsible for protecting confidential and commercially sensitive information that may come to their knowledge during the evaluation process and are required to sign a conflict of interest and non-disclosure declaration prior to participating as an Evaluation Team member.

1. Bid Evaluation

A Senior Administrative Assistant responsible for opening bids received within the bid timelines and for returning un-opened bids which do not meet the time deadlines. Price envelopes remain sealed until after bid evaluation has been completed.

Each team member will independently complete an evaluation matrix. Team members will be aware of their need to be fair, factual and full defensible.

Evaluation matrices are to be signed by team members and retained with the bid documentation received for future audit purposes.

Following the evaluation process, the Senior Administrative Assistant prepares a “roll up” of the evaluation scores. The Senior Administrative Assistant opens the price envelopes in the presence of the evaluation team. The pricing is inserted into the “roll up” document and distributed to the evaluation team.

The bid receiving the highest rating and meeting all mandatory criteria are declared the winning bid.

The Agency will not discriminate or exercise preferential treatment in awarding a contract to a supplier in a competitive procurement process.

1. **Invitational Procurements**

Invitational Procurements may be utilized for procurements with an estimated valuation greater than $10,000 but less than $100,000.

Invitational Procurements will generally be conducted following the guidelines for open competitive procurements, however bid documents will be provided to a minimum of three (3) qualified suppliers.

In all other respects, invitational procurements conducted in the same manner as competitive procurements.

1. **Contract Execution & Management**
2. Executing the Contract/Interim Purchase Order

The Agency will enter into a formal written purchase agreement with the winning bidder prior to the provision of goods or services. Where an immediate need exists, the use of an interim purchase order appropriately executed by the Agency may be used. The Agency copy of the purchase order to include a written rationale to justify the use of an interim purchase order, signed according to the Agency’s DEFA.

The formal contract will be finalized using the formal contract released with the bid documents. (Form “A” Contract).

Where an alternative solution or strategy has been used, the form of the contract issued with the bid documentation will not reflect the actual winning bid. In this instance, the formal written contract will outline the alternative strategy or solution proposed by the winning bidder, prior to the supply of goods or services. An interim purchase order may be used, as outlined above.

Where the contract is awarded for services, the contract will clearly outline:

* Clear terms of reference for the assignment, including objectives, background, scope, constraints, staff responsibilities, tangible deliverables, timing, progress reporting, approval requirements and knowledge transfer requirements
* Establish expense claim and reimbursement rules compliant with the Agency’s Travel & Hospitality Policy
* Establish that expenses will be claimed and reimbursed only where explicitly provided for in the Contract
* Term of the agreement, including any options to extend the agreement
* Dispute resolution procedures to ensure that performance issues or disputes are resolved in a fair and timely manner

1. Termination Clause

Contracts include appropriate cancellation or termination clauses. The Agency will seek legal advice, where appropriate, on the development of such clauses. For complex or longer term contracts, the Agency will consider use of contract clauses that permit cancellation or termination at critical project life-cycle stages.

1. Term of Agreement Modifications

Term of agreement modifications are included in the contract documentation, only as included in the competitive procurement documents. Extensions not included in the original bid documents, where the extension would increase the contract value or stated deliverables creates a non-competitive procurement.

1. Contract Award Notification/Offer of Supplier Debriefing

For procurements in excess of $100,000, the Agency to post, in the same manner as the original bid documents, notification of the contract award. This award notification is to be posted after execution of the contract between the winning bidder and the Agency. The notification will include the name of the successful bidder, the contract start/end dates and any extension options to be included in the contract.

The contract award notification informs unsuccessful bidders of their right, within 60 calendar days following the date of the notification of contract award to request a debriefing.

1. Contract Management

Contracts will be managed responsibly and effectively.

Invoices to contain sufficiently detailed information to warrant release of payment. Overpayments to be promptly recovered

The Manager of Finance responsible to consult with the requisitioner/receiver of the goods/services to ensure vendor invoices reflects goods and services actually received.

The Manager of Finance responsible to ensure that supplier performance is being appropriately managed by the requisitioner/receiver of the goods and services and that performance issues are being appropriately addressed, according to the dispute resolution processes in the Contract.

1. **Non-Competitive Procurement**

The Agency will utilize competitive procurements according to the procurement thresholds established in Section 4 of this procedure to achieve optimum value for money, however from time to time circumstances may arise which require the Agency to utilize non-competitive procurement.

Where by virtue of its estimated value procurement would normally be subject to a competitive process but the where procurement meets the definition of an excluded or exempted procurement, approval for the procurement will be required at one level higher on the DFEA table.

Non-competitive procurements may only be used in the circumstances as defined in the “exclusions/exemptions” definition in Appendix “B” of this procedure.

To facilitate this process, it is recognized that the Agency utilizes several classes of vendors related to clients of the Agency which will generally be excluded as services directly provided to clients (See Appendix “B” Exclusions and Exemptions). An annual vendor review will be undertaken by the Manager of Finance to specify which classes of services/vendors will be exempted by the Agency from competitive procurement requirements. The Manager of Finance will prepare a listing of exempted vendors, the type of services provided and the total billings from the exempted vendors for the previous year. This document will be approved by the Executive Director and retained for audit purposes

1. **Miscellaneous Procurement Activities**
2. Information Gathering

From time to time, informal product or supplier research will be insufficient to enable effective preparation of bid documentation. In such cases, the Agency may elect to issue a Request for Information (RFI) or Request for Expression of Interest (RFEI). RFI’s or RFEI’s may not be used to pre-qualify a potential supplier or influence the chances of a participating supplier becoming a successful bidder in any subsequent bidding opportunities.

1. Supplier Pre-Qualification

The Agency may elect to issue Request for Supplier Qualifications (RFSQ) to pre-qualify suppliers for an immediate product or service need or to identify qualified suppliers in advance of expected future competitions. If the Agency issues an RFSQ, the document will disclaim any obligation on the part of the Agency to require goods or services from any or all respondents.

1. **Records Retention**
2. Procurements over $10,000

For any procurement with a valuation of over $10,000, all related documentation retained in Content Server. Documents retained include but not be limited to:

* preliminary requisition/justification documents
* initial work plan meeting notes,
* bid documents and addenda,
* confidentiality & conflict of interest agreements,
* evaluation matrices,
* unsuccessful bid documents,
* award notification letter to successful and non-winning bidders

The final executed contract and any records of vendor management/performance activities and bid dispute activities filed in a separate vendor file in the central procurement file.

1. Procurement Valued at Less Than $10,000

For any procurement with a valuation of less than $10,000, all related documentation including verbal (documented) quotations, purchase order documents and other related information retained in Content Server.

Procurement documentation may contain confidential and/or commercially sensitive information and retained in a secure location. Access to these documents will be limited to Finance personnel and to senior staff and staff members directly involved in the purchase transaction.

1. **Resources to Support the Procurement Process**

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| **Resources** | | |
| **Tool** | **Purpose** | **Process Supported** |
| Stakeholder Consultation Template | To record consultation with staff and other interested parties regarding the procurement; to ensure that specifications meet expectations of all parties | Planning |
| Procurement Specifications Template | To record/summarize mandatory and weighted criteria to be included in bid documentation and weights assigned to weighted criteria | Planning |
| Procurement Specifications Approval | To record agreement on final bid specifications | Planning |
| Bid Document Checklist | To ensure that necessary information is included in bid documents prior to issue | Competitive & invitational bid document preparation & issuance |
| Addendum | To record information provided to all vendors post-bid issue | Competitive & invitational bid document preparation & issuance |
| Supply Chain Code of Ethics | To be included in procurement documentation and employee handbook | Competitive & invitational bid document preparation & issuance  Ensuring staff education and compliance |

|  |  |  |
| --- | --- | --- |
| Bid Dispute Resolution Procedure | To be included in bid documentation and followed in the event of bid disputes | Competitive & invitational bid document preparation and issuance  Response to bid disputes |
| Bid Receipt Log | To be used to record bids as received to ensure compliance with response deadlines | Bid assessment & award |
| Evaluation Team Checklist | To record completion of compliance activities required of team members | Bid assessment & award |
| Evaluation Team Handbook | Guides evaluators in assessing competitive and invitational bids | Bid assessment & award |
| Evaluation Team Individual Scorecard | Records independent criteria scoring in bid assessment phase | Bid assessment & award |
| Evaluation Matrix Template | Prepared during work plan phase, used to evaluate bids based on mandatory and weighted criteria, per evaluation team handbook | Bid assessment & award |
| Notice of Award Sample | To advise unsuccessful vendors and provide notice of their entitlement to debrief | Bid assessment & award |
| Conflict of Interest Disclosure & Confidentiality Agreement | Document required to be signed by members of evaluation team | Planning, bid assessment and award |
| Lessons Learned | To be completed post-award notification | To record lessons learned and ensure continuous improvement in the procurement process |
| Purchase Order | To commit Agency to purchase | Formal purchase commitment |
| Non Competitive Approval Form | Document approval for non-competitive procurements; document approval for annual review and exclusion of excluded/exempt vendors/services | Compliance for non-competitive procurements; supports annual vendor review/exception list |

**PROCUREMENT OF GOODS AND SERVICES**

Appendix “A” - Definitions

***“Goods and services”*** means any goods, construction, and services, including but not limited to IT and consulting services;

***“Members of an Organization”*** means all trustees, members of the board of directors, senior executives, and employees of the Organization, or their equivalent;

***“Supply Chain Activities”*** means all activities directly or indirectly related to the Organization’s planning, sourcing, procurement, moving, and payment processes.

***“Accountability”*** means the obligation of an employee, agent or other person to answer for or be accountable for, work, action or failure to act following delegated authority.

***“Agreement”*** means the formal written document that will be entered into at the end of the procurement process.

***“Approval Authority”*** means the authority delegated by the Organization to a person designated to occupy a position to approve on its behalf one or more procurement functions within the plan-to-pay cycle up to specified dollar limits subject to the applicable legislation, regulations and procedures in effect at such time.

***“Award”*** means the notification to a proponent of acceptance of a proposal, quotation or tender that brings a contract into existence.

**Best value”** means the optimal balance of performance and cost determined in accordance with a pre-defined evaluation plan; best value may include a time horizon that reflects the overall life cycle of a given asset

***“Blanket purchase contract”*** means any contract for the purchase of goods and services which will be required frequently or repetitively but where the exact quantity of goods and services required may not be precisely known or the time period during which the goods and services are to be delivered may not be precisely determined

***“Bid”*** means a proposal, quotation or tender submitted in response to a solicitation from a contracting authority. A bid covers the response to any of the three principal methods of soliciting bids, i.e., Request for Proposal, Request for Tender and Request for Quotation.

***“Bid Protest”*** means a dispute raised against the methods employed or decisions made by a contracting authority in the administration of a proposal, tender, or quotation process.

***“Chief Executive Officer”*** means the head of operations at Organizations.

***“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.

***“Conflict of Interest”*** means a situation in which financial or other personal considerations have the potential to compromise or bias professional judgment and objectivity. An apparent conflict of interest is one in which a reasonable person would think that the professional’s judgment is likely to be compromised.

***“Construction”*** means construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement.

***“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.

***“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.

***“Contract”*** means an obligation, such as an accepted offer, between competent parties upon a legal consideration, to do or abstain from doing some act. It is essential to the creation of a contract that the parties intend that their agreement have legal consequences and be legally enforceable. The essential elements of a contract are an offer and an acceptance of that offer; the capacity of the parties to contract; consideration to support the contract; a mutual identity of consent or consensus ad idem; legality of purpose; and sufficient certainty of terms.

“***Designated broader public sector organization***” means an Organization to which section 12 of the *Broader Public Sector Accountability Act, 2010* applies.

***“Electronic Tendering System”*** means a computer-based system that provides suppliers with access to information related to open competitive procurements.

***“Evaluation Criteria”*** means a benchmark, standard or yardstick against which accomplishment, conformance, performance and suitability of an individual, alternative, activity, product or plan is measured to select the best supplier through a competitive process. Criteria may be qualitative or quantitative in nature.

***“Evaluation Matrix”*** means a tool allowing the evaluation team to rate supplier proposals based on multiple pre-defined evaluation criteria.

***“Evaluation Team”*** means a group of individuals designated/responsible to make award recommendation. The evaluation team would typically include representatives from the Organization and subject matter expert(s). Each member participates to provide business, legal, technical and financial input.

***“Goods”*** means moveable property (including the costs of installing, operating, maintaining or manufacturing such moveable property) including raw materials, products, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form, unless they are procured as part of a general construction contract.

***“Goods and Services/Goods or Services***” means all goods and/or services including construction, consulting services and information technology.

***“Information Technology***” means the equipment, software, services and processes used to create, store, process, communicate and manage information.

***“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.

***“Non-discrimination”*** means fairness in treating suppliers and awarding contracts without prejudice, discrimination or preferred treatment.

***“Offer”*** means a promise or a proposal made by one party to another, intending the same to create a legal relationship upon the acceptance of the offer by the other party.

***“Procurement”*** means acquisition by any means, including by purchase, rental, lease or conditional sale, of goods or services.

***“Procurement Card (P-Card)”*** means an organizational credit card program primarily used for low-cost, non-inventory, non-capital items, such as office supplies. The card allows procurement or field employees to obtain goods and services without going through the requisition and authorization procedure. P-cards may be set up to restrict use to specific purchases with pre-defined suppliers or stores, and offer central billings.

***“Procurement Policies and Procedures (PPP)”*** means a framework and mandatory requirements to govern how Organizations conduct sourcing, contracting and purchasing activities, including approval segregation and limits, competitive and non-competitive procurement, conflict of interest and contract awarding.

***“Procurement Value”*** means the estimated total financial commitment resulting from procurement, taking into account optional extensions and not including sale taxes

***“Professional service supplier”*** means a supplier of services requiring professional skills for a defined service requirement including: Lawyers, Psychologists, management and financial consultants; and firms or individuals having specialized competence in planning or other disciplines

***“Purchase Order (PO)”*** means a written offer made by a purchaser to a supplier formally stating the terms and conditions of a proposed transaction.

***“Purchase requisition”***means a written or electronically produced request in an approved format and duly authorized to obtain goods or services

***“Qualified Supplier”*** means a supplier that has been selected through a formal vendor pre-qualification process. This process may have been directly managed by the Agency or through another formal procurement organization, such as the Government of Ontario Supply Chain Management Group (vendor of record) or other formal buying organization to which the Agency may hold membership.

***“Request for Expressions of Interest (RFEI)”*** means a document used to gather information on supplier interest in an opportunity or information on supplier capabilities/qualifications. This mechanism may be used when a BPS organization wishes to gain a better understanding of the capacity of the supplier community to provide the services or solutions needed. A response to a RFEI does not pre-qualify a potential supplier and does not influence their chances of being the successful proponent on any subsequent opportunity.

***“Request for Information (RFI)”*** means a document issued to potential suppliers to gather general supplier, service or product information. It is a procurement procedure whereby suppliers are provided with a general or preliminary description of a problem or need and are requested to provide information or advice about how to better define the problem or need, or alternative solutions. A response to an RFI does not pre-qualify a potential supplier and does not influence their chances of being the successful proponent on any subsequent opportunity.

***“Request for Proposal (RFP)”*** means a document used to request suppliers to supply solutions for the delivery of complex products or services or to provide alternative options or solutions. It is a process that uses predefined evaluation criteria in which price is not the only factor.

***“Request for Supplier Qualifications (RFSQ)”*** means a document used to gather information on supplier capabilities and qualifications, with the intention of creating a list of pre-qualified suppliers. This mechanism may be used either to identify qualified candidates in advance of expected future competitions or to narrow the field for an immediate need. Organizations to ensure that the terms and conditions built into the RFSQ contain specific language that disclaims any obligation on the part of the Organization to call on any supplier to provide goods or services as a result of the pre-qualification.

***“Requisition”*** means a formal request to obtain goods or services made within an Organization, generally from the end-user to the procurement department.

***“Sealed bid”*** means a formal sealed response received as a part of a quotation, tender or proposal

***“Segregation of Duties”*** means a method of process control to manage conflict of interest, the appearance of conflict of interest, and errors or fraud. It restricts the amount of power held by any one individual. It puts a barrier in place to prevent errors or fraud that may be perpetrated by one individual.

***“Services”*** means intangible products that do not have a physical presence. No transfer of possession or ownership takes place when services are sold, and they (1) cannot be stored or transported, (2) are instantly perishable, and (3) come into existence at the time they are bought and consumed.

***“Supplier/Vendor”*** means any person or organization that, based on an assessment of that person’s or organization’s financial, technical and commercial capacity is capable of fulfilling the requirements of procurement.

***“Supply Chain Activities”*** means all activities whether directly or indirectly related to organizational plan, source, procure, move, and pay processes.

***“Trade Agreements”*** means any applicable trade agreement to which Ontario is a signatory.

***“Supplier Debriefing”*** means a practice of informing a supplier why their bid was not selected upon completion of the contract award process.

***“Vendor of Record”*** (VOR) is a procurement arrangement resulting from a fair, open, transparent and competitive process that authorizes one or more qualified vendors to offer specific goods or services for a defined period of time on terms and conditions, including pricing and/or discounting, as set out in a particular VOR agreement

**PROCUREMENT OF GOODS AND SERVICES**

Appendix “B” – Exemptions & Exclusions

The Agency should employ a competitive procurement process to achieve optimum value for money. It is recognized however that certain circumstances and activities may require the Agency to use non-competitive procurement. The circumstances and activities that will be excluded from the competitive procurement requirements of this policy are noted below. These exceptions are generally consistent with the *Agreement on Internal Trade (AIT)* or other trade agreements.

Exemptions extend only to method of procurement for non-competitive vs. competitive procurement and not to other requirements of Procurement Procedures related to administration, documentation, contract management and other requirements of that procedure document.

Payments made under the Agency’s OCBe Policy/Procedure, RESP Policy/Procedure are excluded.

Licensed Professional and Specific Services for Children and Youth in Care:

The procurement of services from licensed professionals including medical doctors and dentists, pharmacists, nurses, psychologists, and lawyers, accountants, architects, as well as boarding rate expenditures including reimbursable expenses paid to Foster Parents and Outside Paid Resources and support services for the case of children and youth that have been placed by the Agency.

Single Source Supply:

Where only one supplier is available to meet the requirements of the Agency procurement including the following circumstances:

* to ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licenses, copyright and patent rights, or to maintain specialized products that will be maintained by the manufacturer or its representative;
* where there is an absence of competition where the goods or services can be supplied only by a particular supplier and no alternative or substitute exists;
* for work to be performed on the behalf of the Agency through a building lease agreement where the lessor will invoice costs back to the lessee;
* for work to be performed according to provisions of a warranty or guarantee held in respect of the original work;
* for the procurement of a prototype or a first good or service to be developed that may be needed for research purposes, a particular study or other original purposes;
* for the purchase of goods under duress such as bankruptcy or receivership, where the Agency has clearly documented the advantageous value that would be received;
* for the procurement of real property;

Limiting Circumstances:

Limiting circumstances may exist where inherent factors limit the procurement process that can be undertaken. Under limiting circumstances, the Agency can deviate from competitive procurement requirements provided it does not do so for the purpose of avoiding competition between suppliers or in order to discriminate against suppliers. Limiting circumstance may include:

* where goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open tendering process could reasonably be expected to compromise government confidentially, cause economic disruption or otherwise be contrary to the public interest;
* where compliance with open tendering provisions would interfere with the Agency’s ability to maintain security or order;
* in the absence of a receipt of any bids in response to a call for tenders made in accordance with the directive;

Emergency Situations:

For the purpose of this procedure, an “Emergency” means a situation where the immediate purchase of goods and services is essential to prevent serious delays in service delivery or to prevent or remedy damage to Agency property or to restore an essential service.

An “Emergency” includes an imminent or actual danger to the life, health or safety of an official or an employee while acting on the Agency’s behalf (e.g. emergency boiler repairs or replacement), an imminent or actual danger of injury to or destruction of real or personal property belonging to the Agency.

Under emergency circumstances, the Executive Director has the authority to take the necessary steps to address the emergency and will subsequently inform the Board of Directors of the actions taken setting out the details of any purchases made pursuant to this authority and the circumstances justifying the action taken.