

Policy Manual

Finance

Section:	2.0 FINANCIAL MANAGEMENT	Policy Code	FIN 2.4
Title:	<i>Procurement Policy</i>		

POLICY STATEMENT

The Agency maintains high legal, ethical, managerial, and professional standards in the management of the resources entrusted to it as a publicly funded institution.

Approved on:	October 27, 2015	Last revised:	
Implementation Date:	October 27, 2015	Rationale:	

Governing Documents	Reference Section
Legislation	
Regulations	
Standards	
Accreditation Standard	
Directives	<i>BPS Procurement Tool Kit English</i> ; <i>BPS Procurement Took Kit French</i>
By-laws	

Purpose/Context <i>(for use when policy is not linked to a governing document)</i>
<i>Promote transparency and accountability in the use of public funds by establishing guidelines for the acquisition of products and services whether by purchase, rental or lease.</i>
<ul style="list-style-type: none"> • <i>Define the limits of authority</i> • <i>Provide guidelines that will maximize value-for-money.</i>

Supporting Documents	Document Link
Forms	
Manuals	
Protocols	

PROCEDURES

1. SCOPE

This policy applies to the acquisition of products and services, by purchase, rental or lease, except as noted below under exceptions, regardless of the ultimate source of funding, unless specifically indicated otherwise by the funding source. Where funding regulations are more restrictive than Agency regulations, the funding regulations takes precedence.

The Agency must maintain high legal, ethical, managerial, and professional standards in the management of the resources entrusted to it as a publicly funded institution. The Agency ensures that products and services are acquired in a manner that ensures the Agency:

- a) Obtains value for money by incurring the lowest cost in the fulfillment of specified needs with appropriate levels of quality and service;
- b) Uses fair and open process when calling for, receiving and evaluating quotations and tenders from qualified, efficient suppliers;
- c) Meets its statutory, legal and ethical obligations in the acquisition of products and services by purchase, rental or lease; and
- d) Employs trained staff skilled in purchasing techniques including negotiating contractual terms and conditions, cost reduction techniques, and cooperative buying processes.
- e) The Agency complies with the Ontario Broader Public Sector (BPS) Procurement Directive and the BPS Procurement Code of Ethics as required by the Ontario Ministry of Finance which came into effect April 1, 2012.

All acquisition of goods and services exceeding \$1,000 must be submitted to the Purchaser and if the acquisition exceeds \$10,000 the Purchaser should have requested a minimum of three (3) quotes.

All requirements for Consulting Services, irrespective of value, must be submitted on a Purchase Requisition and must have the three (3) quotes or documentation of sole source. See Consulting Procedure for detail.

2. EXPENSES FOR CONSULTANTS AND OTHER CONTRACTORS

In no circumstances can hospitality, incidental or food expenses be considered allowable expenses for consultants and contractors under the rules or in any contract between an organization and a consultant or contractor. Therefore, they cannot claim or be reimbursed for such expenses, including:

- a) Meals, snacks and beverages;
- b) Gratuities;
- c) Laundry or dry cleaning;
- d) Valet services;
- e) Dependent care;
- f) Home management; and/or
- g) Personal telephone calls.

See the Broader Public Sector Procurement Directive for information about procurement and contracts. Reimbursement for allowance expenses can be claimed and reimbursed only when the contract specifically provides for it.

The Agency Procurement System is not to be used for personal purchases.

3. PREFERRED SUPPLIERS

The terms preferred suppliers is used to describe those suppliers with which we have established contracts following a rigorous tendering process that is compliant with the Broader Public Sector Accountability Act. Proposals representing the best quality and range of products, level of customer service and delivery and potential cost savings were selected to become Preferred Suppliers for the Agency.

These contracts come from one of three sources:

- a) the Agency;
- b) Ministry of Government Services; and/or
- c) Ministry of Children and Youth Services.

Preferred suppliers are used whenever possible the purchase should refer to these first when sourcing products or services. It is recognized that the preferred suppliers may not always meet the needs of staff in particular and alternative suppliers may be used if justified. Contact Strategic Procurement Services prior to buying in-scope goods or services from a non-preferred supplier.

Local suppliers will be given a 5% advantage on pricing to recognize their contributions to the local community.

4. EXCEPTIONS

Current exclusions from the policy are:

- a) Insurance;
- b) Investment services; and
- c) Architects.

Tendering and purchase of Utilities and construction is delegated to Director of Finance with the support of the Program Manager – Accounting and the Purchaser.

5. AUTHORIZATION

All purchase requisitions must be approved (to facilitate electronic process) in accordance with the Agency's Signing Authorities Policy.

6. SEGREGATION OF DUTIES

Effective control in an organization includes both the delegation of authority and segregation of duties across functions and individuals. Segregation of duties prevents any one person from controlling the entire purchasing process by segregating approvals for the key stages of the supply chain process. There are five (5) procurement roles that require segregated approval as illustrated below:

The Agency's Segregation Framework: Procurement roles requiring segregation of duties:

Roles	Explanation	Who
Purchase Requisition	Authorize Purchaser to place an order	Purchaser requesting the product or service and approved as per Contract Signing Authority Policy
Budget	Authorize that funding is available to cover the cost of the order	Authorized Program Supervisor/Manager/Director
Purchase Order	Authorize release of the order to the supplier under agreed-upon contract terms	Purchaser – Program Manager: Accounting – Director of Finance
Receipt	Authorize that the order was physically received, correct and complete	Individual receiving the products

Payment	Authorize release of payment to the supplier	Accounts Payable role within Financial Services
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7. COMPETITIVE PROCUREMENT

a) Goods, Construction and Non-Consulting

Purchase orders must be issued for goods, construction and non-consulting services exceeding \$10,000 per commitment as set out in Table 1 below. The table also outlines the process and minimum number of quotes requested based on the value of the commitment.

TABLE 1

Value per commitment	Minimum number of competitive quotes	Process
\$5000 or less		Multiple options available: <ul style="list-style-type: none"> • Credit Card • Cheque Requisition • Purchase Requisition (e-mail)
\$5000 to \$9,999	Single written quotation required	<ul style="list-style-type: none"> • Quote can be obtained by Department or Finance Clerk responsible for purchasing • Department shall complete the purchase requisition (e-mail) before submitting to the Finance Clerk responsible for purchasing. • Program Manager of Accounting – Payroll to approve and issue purchase order.
\$10,000 to \$99,999	Solicit minimum of three (3) written quotes, where possible. In some circumstances a formal public process may be warranted to increase value for money.	<ul style="list-style-type: none"> • Quote can be obtained by department or Finance Clerk responsible for purchasing • Department shall complete the purchase requisition (e-mail) before submitting to the Finance Clerk responsible for purchasing. • Finance Clerk to issue purchase order and obtain authorization from appropriate Director.
\$50,000 to \$99,999	Issuance of a Request for Proposal (RFP) is optional and will depend on the goods or service being procured.	<ul style="list-style-type: none"> • Department shall contact Finance Clerk responsible for purchasing and will provide complete functional specifications. • Evaluation team members must sign a Conflict of Interest/Non-Disclosure agreement prior to RFP closing. • Finance Clerk shall manage the acquisition process. • Department to complete the purchase requisition. • Finance Clerk to issue purchase order.

100,000 or more	A formal public process is required by issuance of a Request for Proposal (RFP) and posting on the Agency Website	<ul style="list-style-type: none"> • Department shall contact Finance Clerk and will provide complete functional specifications. • Department must provide weighted evaluation criteria for inclusion in the RFP • Department must provide evaluation methodology prior to RFP being issued • Finance Clerk shall manage the acquisition process • Department to complete the purchase requisition e-mail • Finance Clerk to approve and issue purchase order • Evaluation team members must sign a Conflict of Interest/Non-Disclosure agreement prior to RFP closing
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b) Consulting Services

A purchase order must be issued for all consulting services regardless of value. See 7.2 of the Broader Public Sector for requirements for non-competitive consulting services.

Consulting services less than \$100,000 require a purchase order and a minimum of three written quotes. For consulting services over \$100,000, a formal public RFP process as outlined in Table 1 is required.

If services are considered Professional Services, then the requirements as outlined in Table 1 apply.

- i. **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.
- ii. **Consulting Services** means the provision of expertise or strategic advice that is presented for consideration and decision-making.
- iii. **Contractor/Professional Service** is a person or entity retained under a fee-for-service arrangement that is not an employment agreement, to perform specific tasks under a client's direction for a limited period of time.

Please contact Strategic Procurement Services if assistance is required in determining if the service is consulting or professional service.

8. NON-COMPETITIVE PROCUREMENT – SOLE/SINGLE SOURCING

The Agency employs an open competitive process when required and whenever possible to increase the chances of achieving the greatest value for money. However, in some specific situations as described in this Sole/Single Source Section, competitive procurement processes may not be warranted.

a) Non-Competitive Goods, Construction and Non-Consulting (\$10,000 or greater)

In the event that the Agency employs a non-competitive procurement process for goods, construction or non-consulting services, documentation will need to be completed with detailed explanations required.

b) Non-Competitive Consulting Services

In the event that the Agency employs a non-competitive procurement process for consulting services, pre-approval from the Executive Director is required. Documentation needs to be completed with detailed explanations required.

DOCUMENT APPROVALS

POLICY	
Approval Date:	October 27, 2015
Implementation Date:	October 27, 2015
PROCEDURES	
Approval Date:	October 27, 2015
Implementation Date:	October 27, 2015

REVISION HISTORY

POLICY OR PROCEDURE	DATE	REASON/RATIONALE	DESCRIPTION OF CHANGE

ARCHIVAL INFORMATION

Date:	
Reason/Rationale:	