

<p>SECTION: Agency Manual Finance and Accounting</p>	<p>SUBJECT: Procurement and Broader Public Sector Policy</p>	<p>REF: AM-04-015 Date: February 2022 Reviewed:</p>
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POLICY:

This Policy includes the requirements that are set out in the Broader Public Sector (BPS) Procurement Directive (April 1, 2011). Community Living North Halton (CLNH) shall follow a procurement process that allows for the achievement of value for money and is fair and transparent.

For policy related to travel, expenses, meals and hospitality and perquisites, please see policy AM-04-070.

It is the policy of Community Living North Halton to ensure that goods and services, including construction, consulting services and information technology are acquired through a process that is open, fair, and transparent.

This policy refers to the expenditure of public funding received by Community Living North Halton and applies to: Employees, Volunteers/Students, Board of Directors, and Community Living North Halton Members.

This Policy and Procedure is based on five key principles:

1. **Accountability**—Community Living North Halton is accountable for the results of its procurement decisions and the appropriateness of the processes.
2. **Transparency**—Community Living North Halton aims to be transparent to all stakeholders. Wherever possible, stakeholders must have equal access to information on procurement opportunities, processes, and results.
3. **Value for Money**—Community Living North Halton shall maximize the value they receive from the use of public funds. A value-for-money approach aims to deliver goods and services at the optimum total lifecycle cost.
4. **Quality Service Delivery**—Services provided by Community Living North Halton must receive the right product, at the right time, in the right place.
5. **Process Standardization**—Standardized processes remove inefficiencies and create a level playing field.

DEFINITION: For the purposes of this policy, **supply chain activities** are defined as all activities directly or indirectly related to the Organization's planning, sourcing, procurement, moving and payment processes.

To ensure an ethical, professional and accountable supply chain, CLNH shall follow the following Code of Ethics:

1. **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 CLNH, 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.
2. **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 funding. All participants must ensure that public sector resources are used in a responsible, efficient and effective manner.
3. **Compliance and Continuous Improvement:** Individuals involved with purchasing or other Supply Chain activities must comply with these 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:

Open Competitive Procurement

Open competitive procurement is the contractual acquisition (purchase or lease) by an Organization of any good or service, which enables all suppliers to compete in a fair and open environment.

Open competitive procurement ensures the highest level of fairness, impartiality, and transparency; it maximizes suitability and the value for money of the obtained goods or services.

Invitational Competitive Procurement

Invitational competitive procurement is the contractual acquisition (purchase or lease) by an Organization of any good or service, which enables some but not all suppliers to compete in a fair and open environment.

Organizations conduct invitational competitive procurement by inviting three or more qualified suppliers to submit written proposals to supply goods or services as specified by the Organization.

Regarding competitive versus non-competitive process:

It is the policy of CLNH that it will conduct an open competitive procurement process where the estimated value of procurement of goods or services is \$100,000 or more.

It is the policy of CLNH that it will competitively procure consulting services irrespective of value.

CLNH will not reduce the overall value of procurement (e.g., dividing a single procurement into multiple procurements) in order to circumvent competitive procurement thresholds.

It is the policy of Community Living North Halton to follow the following guidelines:

Goods and Non-Consulting Services and Construction		
Total Procurement Value	Means of Procurement	Recommended/Required
\$0 up to but not including \$100	Petty cash, debit card, credit card.	Recommended
\$100 up to but not including \$3,000	Procurement card including debit, credit or gift card.	Recommended
\$3,000 up to but not including \$10,000	Request for proposal, or credit card.	Recommended
\$10,000 up to but not including \$100,000	Invitational competitive	Recommended
\$100,000 or more	Open competitive	Required
Consulting Services		
Total Procurement Value	Means of Procurement	Recommended/Required
\$0 up to but not including \$100,000	Invitational/open competitive	Required

\$100,000 or more	Open competitive	Required
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PROCEDURE:

Responsibilities:

To ensure that procurement processes are managed consistently the responsibilities of each person will be clear. This includes the segregation of duties to prevent any one person from controlling the entire procurement process.

The five typical functional procurement roles that require approval are requisition, budgeting, commitment, receipt, and payment. At least three of the five procurement roles must be segregated. The procedure for which roles are completed by which positions are detailed as:

Prior to commencement, any procurement of goods, non-consulting services, and consulting services must be approved by the appropriate authority level. Any non-competitive procurement of goods, non-consulting services, or consulting services must be approved by an authority one level higher than the requirements for competitive procurement.

The overall value of procurement must not be reduced by dividing it into multiple procurements in order to circumvent the approval requirements.

Goods and Non-Consulting Services

Procurement Value (not including taxes)	Procurement Method	Approval Authority
\$0 up to but not including \$500.	Petty Cash or Credit Card.	Leads/Coordinators/Managers
\$500 up to but not including \$1,000.	Petty Cash, credit card, request for proposals.	Manager
\$1,000 up to but not including \$10,000.	Petty Cash, credit card, request for proposals	Director with approval from
\$10,000 up to but not including \$50,000.	Credit card, request for proposals	Executive Director
\$50,000 plus	Credit card, request for proposals.	Executive Director with approval from any one of the President Vice President, or Treasurer of the Board of Directors.
\$10,000 up to but not including \$50,000.	Invitational Competition (minimum of 3 qualified suppliers invited to bid).	Executive Director



\$50,000. Plus	Invitational Competition (minimum of 3 qualified suppliers invited to bid).	Board of Directors
\$100,000. plus	Open competitive process	Board of Directors

Consulting Services

Procurement Value (not including taxes)	Procurement Method	Approval Authority
\$0 up to but not including \$100,000.	Invitational Competition (minimum of 3 qualified suppliers invited to bid).	Executive Director
\$100,000 Plus	Invitational Competition (minimum of 3 qualified suppliers invited to bid).	Executive Director and Board of Directors
\$50,000 Plus.	Open Competitive	Executive Director and Board of Directors

COMPETITIVE PROCUREMENT PROCEDURES:

The following outlines the steps to be taken in the procurement of goods, non-consulting services, and consulting services:

1. Planning:
 - Determine what goods and services are necessary to meet business requirements. Look at opportunities to create efficiencies to maximize value for money
 - Review potential supply sources
 - Determine appropriate procurement method
 - Determine the necessary approval requirements and when these approvals will be needed
 - Determine the overall time necessary to complete the procurement process
2. Information Gathering:
 - Where results of informal supplier or product research are insufficient, formal processes such as a Request for Information (RFI) or Request for Expression of Interest (RFEI) may be used if warranted.



- A response to RFI or RFEI must not be used to pre-qualify a potential supplier and must not influence the chances of the participating suppliers from becoming the successful proponent in any subsequent procurement opportunity.
3. A Request for Supplier Qualification:
 - (RFSQ) may be conducted to gather information about supplier capabilities and qualifications in order to pre-qualify suppliers for an immediate product or service needed or to identify qualified candidates in advance of expected future competitions.
 - The terms and conditions of the RFSQ document must contain language that disclaims any obligation of CLNH to call on any supplier to provide goods or services as a result of the pre-qualification.
 - This process can be used to develop a Vendor of Record list.
 4. Posting Competitive Procurement Documents:
 - Calls for open competitive procurements must be made through an electronic tendering system that is readily accessible by all Canadian suppliers.
 5. Timelines for Posting Competitive Procurements:
 - CLNH shall provide suppliers a minimum response time of 15 calendar days for goods and services valued at \$100,000 or more.
 - This shall be increased to 30 calendar days for procurements of high complexity, risk, and/or dollar value.
 - The timelines can change if conditions to the supply chain change.
 6. Bid Receipt:
 - The bid submission date and closing time (Monday to Friday, excluding holidays) must be clearly stated in competitive procurement documents.
 - Submissions delivered after the closing time must be returned to the supplier unopened.
 7. Evaluation Criteria:
 - Evaluation criteria must be developed, reviewed, and approved by the appropriate authority prior to commencement of the competitive procurement process.
 - Competitive procurement documents must clearly outline mandatory, rated, and other criteria that will be used to evaluate submissions, including the weighting of each criterion.
 - Mandatory criteria (i.e. technical standards) should be kept to a minimum to ensure that no bid is unnecessarily disqualified.



- Maximum justifiable weighting must be allocated to the price/cost component of the evaluation criteria.
- The evaluation criteria can only be altered by means of an addendum to the competitive procurement documents.
- Suppliers may be requested to provide alternative strategies or solutions as part of their submission.
- Criteria must be established to evaluate alternative strategies or solutions prior to the commencement of the competitive procurement process.
- Alternative strategies or solutions can only be considered if they have been explicitly requested in the competitive procurement documents.

8. Evaluation Process Disclosure:

- Competitive procurement documents must fully disclose the evaluation methodology and process to be used in assessing submissions, including the method of resolving a tie score.
- Competitive procurement documents must state that submissions that do not meet the mandatory criteria will be disqualified.

9. Evaluation Team:

- An evaluation team shall be established who will be responsible for reviewing and rating the bids. The size and qualifications of the team shall be appropriate to the complexity and value of the procurement.
- Each team member must be made aware of the restrictions related to the utilization and distribution of confidential and commercially sensitive information collected through the competitive procurement process and refrain from engaging in activities that may create or appear to create a conflict of interest.
- Team members shall sign a conflict of interest declaration and non-disclosure of confidential information agreement.

10. Evaluation Matrix:

- Each evaluation team member must complete an evaluation matrix, rating each of the submissions.
- Records of the evaluation scores must be retained for audit purposes.
- Evaluators must ensure that everything they say or write about the submissions is fair, factual, and fully defensible.

11. Winning Bid:



- The submission that receives the highest evaluation score and meets all mandatory requirements set out in the competitive procurement documents must be declared the winning bid.

12. Non-Discrimination:

- CLNH must not discriminate or exercise preferential treatment in awarding a contract to a supplier as a result of a competitive procurement process.

13. Executing and Establishing the Contract:

- The agreement between CLNH and the successful supplier must be formally defined in a signed, written contract before the provision of supplying goods or services commences using the form that was released with the procurement documents (or developed subsequently if an alternative procurement strategy was used).
- Where an immediate need exists for goods or services, and the CLNH and the supplier are unable to finalize the contract, an interim purchase order may be used. The justification of such decision must be documented and approved by the appropriate authority.

14. Termination Clauses:

- All contracts must include appropriate cancellation or termination clauses.
- When conducting complex procurements, the use of contract clauses that permit cancellation or termination at critical project life-cycle stages should be considered.

15. Term of Agreement Modifications:

- The term of the agreement and any options to extend the agreement must be set out in the competitive procurement documents.
- An approval by the appropriate authority must be obtained before executing any modifications to the term of the agreement.

16. Contract Award Notification:

- For procurements valued at \$100,000 or more, CLNH shall post, in the same manner as the procurement documents were posted, contract award notification.
- The notification must be posted after the agreement between the successful supplier and CLNH has been executed.



- Contract award notification must list the name of the successful supplier, the agreement start and end dates, and any extension options.

17. Supplier Debriefing:

- For procurements valued at \$100,000 or more, CLNH shall inform all unsuccessful suppliers about their entitlement to a debriefing. This notification shall be in the competitive procurement documents.
- Unsuccessful suppliers shall have 60 calendar days following the date of the contract award notification to request a debriefing.

18. Contract Management:

- Payments must be made in accordance with the provisions of the contract.
- All invoices must contain detailed information sufficient to warrant payment.
- Any overpayments must be recovered in a timely manner.
- Assignments must be properly documented.
- Supplier performance must be managed and documented, and any performance issues must be addressed.
- For services, CLNH shall
 1. Establish clear terms of reference for the assignment. The terms should include the objectives, background, scope, constraints, staff responsibilities, tangible deliverables, timing, progress reporting, approval requirements, and knowledge transfer requirements.
 2. Establish expense claim and reimbursement rules compliant with the Broader Public Sector Expense Directive and ensure all expenses are claimed and reimbursed in accordance with that expense directive.
 3. Ensure that expenses are claimed and reimbursed only where the contract explicitly provides for the reimbursement of expenses.

19. Procurement Records Retention:

- For reporting and auditing purposes, all procurement documentation must be retained for a period of seven years.

20. Conflict of Interest:

- CLNH shall monitor any conflict of interest that may arise as a result of employees, volunteers/students, Board of Directors, Members of CLNH, advisors, external consultants, or suppliers' involvement with the procurement activities.
- All involved in the procurement activities must declare actual or potential conflicts of interest.



- Where a conflict of interest arises, it must be evaluated and an appropriate mitigating action must be taken.
- Reference Policy HR-04-030 Conflict of Interest

21. Bid Dispute Resolution:

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

22. Non-Competitive Procurement:

DEFINITION: Non-Competitive Procurement: Non-competitive procurement (sometimes called “sole source” or “single-source” procurement) happens when the buyer either selects the company to buy from or restricts the bidding process to certain suppliers.

- A competitive procurement process should be employed to ensure optimum value for money. However, special circumstances may arise that require the use of non-competitive procurement.
- Prior to the commencement of non-competitive procurement, supporting documentation must be completed and approved by the appropriate authority (one level higher than the requirement for competitive procurement).
- CLNH may use non-competitive procurement (also known as single-source situations) under the circumstances outlined in this section provided that they do not do so for the purposes of avoiding competition between suppliers or to discriminate against suppliers:
 - Where an unforeseeable situation of urgency exists and the goods or services cannot be obtained in time by means of open procurement procedures. Failure to plan and allow sufficient time for a competitive procurement process does not constitute an unforeseeable situation of urgency;
 - In the absence of a receipt of any bids in response to a call for proposals or tenders made in accordance with the Directive.
 - For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor;
 - For work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work;
 - For a contract to be awarded to the winner of a design contest;
 - For the procurement of real property.



The following resources may be used to assist in implementing the Competitive Procurement Procedures: 1. Broader Public Sector Procurement Directive 2. Broader Public Sector Procurement Implementation Guide.

Reference Policies:

AM-04-030 Signing Authority

AM-04-040 Purchases/Cheque Requisitions

AM-04-045 Corporate Credit Card Use

HR-04-030 Conflict of Interest

AM-04-070 Travel and Expenses