



FINANCIAL SERVICES MANUAL

Procurement of Goods and Services		PROCEDURE # FN 3.10	
APPROVED BY: Executive Director		APPROVAL DATE:	October 2021
CROSS REFERENCE: (if applicable)	Policy FN 3.10	REVISION DATE:	Sept 2023
		REVIEW DATE:	May 2024

1.0 PROCEDURE

APPLICATION

All procurement conducted by the Society will comply with the [Broader Public Sector Procurement Directive](#) and shall be based on five principles:

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

Code of Ethics

The [Ontario Broader Public Sector \(BPS\) Supply Chain Code of Ethics](#) has been adopted by the Society. 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.

Exceptions & Exemptions to this Policy

The Society may utilize non-competitive procurement only in situations where an exemption, exception, or non-application clause exists under the AIT (Agreement on Internal Trade) or other trade agreement.



Non-competitive procurements must be used sparingly and only in the circumstances listed below:

- Where an unforeseeable situation of urgency exists and the goods or services cannot be obtained in time by mean of open procurement procedures;
- In the absence of a receipt of any bids in response to a call for proposals or tenders made in accordance with the Directive;
- Procurement of goods and services that is financed primarily from donations that are subject to conditions that are inconsistent with the Directive;
- Procurement of services that in Ontario may, by legislation or regulation, be provided only by any of the following licensed professionals: medical doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, accountants, lawyers and notaries;
- Boarding rate expenditures including reimbursable expenses paid to Foster Parents and Outside Paid Resources; and support services for the care of children and youth that have been placed with the agency; and
- Services for other individuals and families who are clients of the Society are also exempted from competitive procurement requirement

When asserting that procurement is subject to an exemption, exception, or non-application clause under a trade agreement the Society must formally establish applicability of this clause.

The Society must procure consulting services competitively irrespective of the value of the procurement. The AIT does not contain exemption, exception or non-application clauses specific to consulting services

2.0 MANDATORY REQUIREMENTS

#1 Segregation of Duties

The Society must segregate at least 3 of the five functional procurement roles: Requisition, Budgeting, Commitment, Receipt and Payment. Responsibilities for these roles must lie with different departments or, at a minimum, with different individuals.

#2 Approval Authority Schedule (AAS)

Prior to commencement, any procurement must be approved by the appropriate authority in accordance with the Societies AAS. Non-competitive procurements must be approved by an authority one level high than the AAS requirements for competitive procurements.

The total value of procurement includes cost of freight, installation but not taxes. For multi-year procurements, the total projected value for the entire period of the agreement including option



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renewals must be used. Multiple purchases may not be used to circumvent competitive procurement.

The Society has established an approval authority schedule (AAS) for procurement of goods and non-consulting services which reflects the different dollar thresholds and the related approval authority. Deviations from the AAS requires approval from one level higher than the level as stated in the AAS.

Society spending shall in accordance with the approval levels set out below. Spending shall occur within the overall budget approved by the Board of Directors.

Consulting Fees

Method	Procurement Value	Approval Authority
Invitational Competitive	\$0 - \$121,200	Manager of Finance and Administration / Director of Corporate Services
Open Competitive	Any value	Manager of Finance and Administration
Non-Competitive	\$0 - \$999,999 \$1,000,000 or more	Executive Director Board of Directors

Goods and Non-Consulting and Construction

Total Value	Means of Procurement	Recommended/Required
\$0 to \$100	Petty Cash/ Cheque Requisition	Recommended
\$100 to \$2,999	Credit Card/ Cheque Requisition	Recommended
\$3,000 to \$9,999	Purchase Order	Recommended
\$10,000 to \$121,199	Invitational Competitive (minimum 3 invitations to bid)	Recommended
\$121,200 or more	Open Competitive	Required

#3 Competitive Procurement Thresholds

The Society must conduct an open competitive procurement process where the estimated value of procurement of goods or services is \$121,200 or more. The Society must competitively procure consulting services irrespective of value.



#4 Information Gathering

Where results of informal supplier of 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, taking into consideration the time and effort required to conduct them.

A response to an RFI 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 opportunity.

#5 Supplier Pre-Qualification

The Request for Supplier Qualification (RFSQ) enables Organizations to gather information about supplier capabilities and qualifications in order to pre-qualify suppliers for an immediate product or service need or to identify qualified candidates in advance of expected future competitions.

Terms and conditions of the RFSQ document must contain language that disclaims any obligation of the Organization to call on any supplier to provide goods or services as a result of pre-qualification.

#6 Posting Competitive Procurement Documents

Calls for open competitive procurements must be made through an electronic tendering systems that is readily accessible by all vendors.

#7 Timelines for Posting Competitive Procurements

Suppliers will be provided with a minimum response time of 15 calendar days for procurement of goods and services valued at \$121,200 - \$353,300. Consideration must be given to providing a 30 day response time for procurements of high complexity, risk, and/or dollar value.

#8 Bid Receipt

Bid submission date and closing time must be clearly stated in competitive procurement documents. Closing dates must be on a normal working day (Monday to Friday, excluding provincial and national holidays).

Submissions that are delivered after the closing time must be returned unopened.

#9 Evaluation Criteria

Evaluation criteria must be developed, reviewed and approved by an appropriate authority prior to commencement of the competitive procurement process.



The competitive procurement documents must clearly outline any mandatory, rated, and other criteria that will be used to evaluate submissions, including the weight of each criterion.

Mandatory criteria 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 are to be altered only by means of an addendum to the competitive procurement documents.

The Society may request suppliers provide alternative strategies or solutions as a part of their submission. The Society must establish criteria to evaluate alternative strategies or solutions prior to commencement of the competitive procurement process. Alternative strategies or solutions must not be considered unless they are explicitly requested in the competitive procurement documents.

#10 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 tie score.

Competitive procurement documents must state that submissions that do not meet the mandatory criteria will be disqualified.

#11 Evaluation Team

Competitive procurement processes require an evaluation team responsible for reviewing and rating the compliant bids.

Evaluation team members must be made aware of the restrictions related to 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.

Evaluation team members must sign a conflict-of-interest declaration and non-disclosure of confidential information agreement.

#12 Evaluation Matrix

Each evaluation team member must complete an evaluation matrix, rating each of the submissions. Records of evaluation scores must be retained for audit purposes.



Evaluators must ensure that everything they say or write about submissions is fair, factual, and fully defensible.

#13 Winning Bid

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

#14 Non-Discrimination

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

#15 Executing the Contract

The agreement between the Society and the successful supplier must be formally defined in a signed written contract before the provision of supplying goods or services commences.

Where an immediate need exists for goods or services, and the Society and the 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 authority.

#16 Establishing the Contract

The contract must be finalized using the form of agreement that was released with the procurement documents.

In circumstances where an alternative procurement strategy has been used (i.e., a form of agreement was not released with the procurement document), the agreement between the Society and the successful supplier must be defined formally in a signed written contract before the provision of supplying goods or services commences.

#17 Termination Clauses

All contracts must include appropriate cancellation or termination clauses. The Society should seek legal advice on the development of such clauses.

When conducting complex procurements, the Society will consider, as appropriate, the use of contract clauses that permit cancellation or termination at critical project life-cycle stages.

#18 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 an appropriate authority must be obtained before executing any modifications to the term of agreement.



Extending the term of agreement beyond that set out in the competitive procurement document amounts to non-competitive procurement where the extension affects the value and/or stated deliverables of procurement.

#19 Contract Award Notification

For procurements valued at \$121,200 or more, the Society will 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 the Society was executed. Contract award notification must list the name of the successful supplier, agreement start and end dates, and any extension options.

#20 Supplier Debriefing

For procurements valued at \$121,200 or more, the Society must inform all unsuccessful suppliers about their entitlement to a debriefing.

The Society must allow unsuccessful suppliers 60 calendar days following the date of the contract award notification to request a debriefing.

#21 Non-Competitive Procurement

The Society should employ a competitive procurement process to achieve optimum value for money. It is recognized, however, that special circumstances may require the Society to use non-competitive procurement.

The Society may utilize non-competitive procurement only in situations outlined in the exemption, exception, or non-application clauses of applicable trade agreements.

Prior to commencement of non-competitive procurement, supporting documentation must be completed and approved by an appropriate authority within the Organization.

#22 Contract Management

Procurements and the resulting contracts must be managed responsibly and effectively. Payments must be made in accordance with 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. To manage disputes with suppliers throughout the life of the contract, the Society should include a dispute resolution process in their contracts.



#23 Procurement Records Retention

For reporting and auditing purposes, all procurement documentation, as well as any other pertinent information must be retained in a recoverable form for a period of seven years.

#24 Conflict of Interest

The Society must monitor any conflict of interest that may arise as a result of the members' of the organization, advisors', external consultants', or suppliers' involvement with the supply chain activities. Individuals involved with the supply chain 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.

#25 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. Bid dispute resolution procedures must comply with bid protest or dispute resolution procedures set out in the applicable trade agreements.

Building Ontario Business Initiative (BOBI)

[Building Ontario Business Initiative Act](#) (BOBIA) applies to all designated Broader Public Sector Organizations. In the event of a conflict between BOBI and the Directive, BOBI prevails. There are exemptions from the BOBI rules.

Interim Measures

Applies to new procurements of goods and services (consulting and non-consulting) valued at \$121,200 or higher.

The Society as a BPS organization must use existing Vendor or Record (VOR) arrangements whenever possible and appropriate, regardless of the value of the procurement.

Any new contract, including any extensions, must not exceed two years.

Operational flexibility is available in limited and exceptional circumstances. The Society may not find that it is not possible or appropriate to:

- Use a VOR arrangement that is available to the organization; and/or
- Restrict a contract duration to two years.

In these situations the Society must complete a [Procurement Rationale Report](#) and submit it to the funding ministry at least 45 days before the procurement is released to the vendor community.

* submission of the form does not change the authority of the Society to proceed with the procurement. Once the report is submitted the Society can proceed with the procurement.



BOBI

Applies to all goods and services (consulting and non-consulting).

For the purposes of BOBI, “Ontario business” means:

A supplier, manufacturer, or distributor of any business structure that conducts its activities on a permanent basis in Ontario and meets one of the following criteria:

- Has its headquarters or main office in Ontario; or
- Has at least 250 full-time employees in Ontario at the time of the applicable procurement process.

For procurement below the value of \$121,200, the Society must give preference to Ontario businesses, wherever feasible.

BOBI applies to all procurements of goods and services except as follows:

- Emergency procurements
- Procurements from any VOR arrangements
- Services of a lawyer, paralegal or notary public
- Services of an expert witness to be used in a court or legal proceeding
- A good or service that is not available for an Ontario business

For procurements that include both goods and services, if the value of either the goods component or services component exceeds the threshold of \$121,200, there is no obligation to give preference to Ontario businesses.

2.0 REVISION HISTORY

Policy Number	Date	Revised/Reviewed By	Description of Revision
F-2-40	January 2008		Original
F-2-40	February 2012		Revision
FN 3.10	Sept 2023		Revised – Procedure No., Format, Content
FN 3.10	May 2024		Updated Directive