



Catholic Children's Aid Society of Toronto

OPERATING DOCUMENTS

FINANCE & ADMIN.

Legislation, Ministry Directive, CCAS Governance Policy: 01:05:10 - Procurement

Active

DIRECTIVE

The Management Board of Cabinet has issued this directive under the authority of the *Broader Public Sector Accountability Act, 2010* (Section 12).

Purpose, Application and Scope

The purpose of this directive is:

- To ensure that publicly funded goods and services, including construction, consulting services, and information technology are acquired by BPS organizations through a process that is open, fair, and transparent;
- To outline responsibilities of BPS organizations throughout each stage of the procurement process; and
- To ensure that procurement processes are managed consistently throughout the BPS.

The policy is based on the following key 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.

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.

CCAS GOVERNANCE POLICY:

The Society is an BPS organization, and as such, has established a procurement policy that is consistent with legislation. Ontario Children's Aid Societies have developed a CAS Procurement Tool Kit to address the specific legislative requirements as they pertain to Children's Aid Societies. This policy refers the reader to this Tool Kit for specific procedural information. The Tool Kit is maintained in the Department of Finance, Administration and IT.

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)*

Definitions

Refer to Appendix "B" for definitions.

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

Code of Ethics

The Ontario Broader Public Sector Supply Chain Code of Ethics (Refer to Appendix "C") 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.

(See CAS Tools & Templates, Appendix "C" Code of Ethics)

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

Organizations 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.

(See CAS Tools & Templates, 7.2.1 Segregation of Duties – Sample)

Approval Authority (Mandatory Requirement #2) (Directive Section 7.2.2)

Competitive Procurement of Goods & Non Consulting Services

The Society will establish and maintain an approval authority schedule (AAS) for competitive procurement of goods and non consulting services. This schedule will reflect financial levels of authority for each of the five procurement roles identified in Segregation of Duties.

Non-competitive procurement of Goods and Non-Consulting Services

For any non-competitive procurement of goods and non-consulting services, the level of approval authority must shift one level higher than the level for competitive procurement noted above in the AAS.

Consulting Services

Procurement of consulting services follows the same AAS as goods and non-consulting services with the following exceptions:

- *Non-competitive procurement up to \$1,000,000 must be approved by President or Executive Director*
- *Non-competitive procurement \$1,000,000 requires Board of Directors approval*

The Society's AAS must be approved by the Board of Directors of the Society.

Prior to commencement, any procurement must be approved by the appropriate AAS.

(See CAS Tools & Templates, 7.2.2 AAS Sample #1, 7.2.2 AAS Sample #2)

(See CAS Tools & Templates, 7.2.2 Approval Authority Schedule Template)

Competitive Procurement Thresholds (Mandatory Requirement #3) (Directive Section 7.2.3)

Total Procurement Value = \$ 0 - \$ 99.99

- *Means of Procurement: Petty Cash*
- *Required or Recommended: Recommended*
- *Alternate Means: Invitational, Open*

Total Procurement Value = \$ 100 - \$ 2999.99

- *Means of Procurement: Procurement card (p-card)*
- *Required or Recommended: Recommended*
- *Alternate Means: Invitational, Open*

Total Procurement Value = \$ 3000 - \$ 9999.99

- *Means of Procurement: Purchase order*
- *Required or Recommended: Recommended*
- *Alternate Means: Invitational, Open*

Total Procurement Value = \$ 10000 - \$ 99999.99

- *Means of Procurement: Invitational competitive (minimum three suppliers invited to bid)*
- *Required or Recommended: Recommended*
- *Alternate Means: Open Competitive*

Total Procurement Value = \$100000 or more

- *Means of Procurement: Open competitive process*

- *Recommended or Required: Required*
- *Alternate Means: None*

Consulting Services

Total Procurement Value = \$ 0 - \$ 99999.99

- *Means of Procurement: Invitational or open competitive process*
- *Required or Recommended: Required*
- *Alternate Means: N/A*

Total Procurement Value = \$ 100000 or more

- *Means of Procurement: Open competitive*
- *Required or Recommended: Required*
- *Alternate Means: N/A*

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.

*(See CAS Tools & Templates, Appendix "A", Exceptions & Exemptions; Appendix "B", Definitions)
(See CAS Tools & Templates, 7.2.3 Competitive Procurement Options)*

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 (OPBA).

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)

CROSS REFERENCES

CROSS-REFERENCES ?

SUPPLEMENTARY DOCUMENTS:
ACCREDITATION STANDARDS: ?

DOCUMENT INFORMATION & HISTORY

ORIGINAL APPROVAL DATE 08/11/2011

APPROVED Executive Director
BY:

SUPERCEDES:

REVIEWED:

MOST RECENT REVIEW
DATE:

REVIEWED
BY:

REVISION:

CURRENT REVISION
EFFECTIVE DATE:

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