

#21 - Purchasing Goods and Services – procurements (under \$100,000)**Purpose**

To help ensure that expenditures represent value for money spent while promoting fair dealings with vendors, the Society shall:

- Specify the principles that shall govern the planning, acquisition and management of the goods and services needed by the Society.
- Specify the requirements for adherence to those principles.
- Specify the responsibilities of individuals / organizations involved in acquisition of goods and services and with the administration of this policy.
- Establish prudent requirements for the competitive acquisition of goods and services.
- Adhere to those requirements, unless they can document adequate reasons for doing otherwise.

Application and Scope

This policy applies to the planning, acquisition and management of goods and services including, consulting and professional services.

The principles and requirements of this policy apply to all Society acquisitions other than those specifically excluded within this policy.

This policy shall be reviewed as a part of a policy review cycle that occurs at least once every four years.

Any exception to this policy shall be justified and documented.

For greater clarity on terms used in this document, please refer to Appendix 'A' definitions.

Supply Chain Code of Ethics

The Code does not supersede codes of ethics that the Agency may have in place, but supplements the codes with supply chain-specific standards of practice.

The Agency adopts the Code in accordance with their governance processes. The policy intent is to establish that the conduct of all Members of the Agency involved with Supply Chain Activities must be in accordance with the Code.

The code is available and visible to all Members of the Agency as well as suppliers and other stakeholders involved with Supply Chain Activities.

All participants of purchasing activities must act with integrity, professionalism and transparency.

Conduct business with suppliers with honesty and good faith. Provide fair, impartial and equal opportunity to all suppliers.

Information obtained in the purchasing process is used for Agency business only. Information must be kept confidential, and should not be divulged to non-Agency people.

Principles and Guidelines

Subject to the provisions and exemptions contained in this policy, the overall objective is to acquire and supply at the right time and in the most economical manner the goods and services needed to meet Society mandatory requirements in keeping with the following principles and guidelines:

Planning:

- a) Subject to the provisions contained in this policy, goods and services shall be acquired only after consideration of the needs, alternatives, appropriateness of good or service for the purpose required, timing and the overall Society supply strategy.
- b) The basic rationale for each major type of planned expenditure **\$25,000 or greater** (or other predetermined threshold) will be identified, justified and documented in the Society's annual budget / forecast / estimate.
- c) Justification for acquisitions **\$25,000 or greater** (or other predetermined threshold) not included in the Society's annual budget / forecast / estimate will be documented separately.

Prior to placing orders for goods and services valued in **excess of \$25,000** (or other predetermined threshold), document the Society's rationale for the purchase and include the documented justification in the appropriate file.

For goods and services that will be paid for, via instalments, assess the appropriateness of **buy vs. lease** and document the rationale for the decision made.

Goods and services shall be acquired from qualified vendors through a competitive process to meet specified needs at the lowest possible cost.

Once acquired, goods and services shall be managed efficiently, effectively and economically.

Supporting documentation (e.g. contracts, purchase justification, quotations, etc.) shall be attached to the detailed invoices and included in the appropriate files

Access for vendors to compete for Society business shall be open, fair, transparent, and consistent and recognize the needs and responses of the community the Society serves. Conflicts of interest (e.g. where a non-arms length relationship exists) shall be avoided in acquiring goods and services and in resulting contracts; vendors shall not be permitted to gain a monopoly for a

particular kind of work; and relationships shall not be created which result in continuous reliance on a particular vendor.

Orders cannot be split to circumvent this policy.

To ensure a fair process, no action shall be undertaken by Society staff to allow a given bidder an unfair advantage.

The CEO or authorized designate shall ensure relevant specifications, budget authorization, approval authority and terms and conditions for the purchase of goods or services.

Contract terms shall typically be 3 to 5 years with options to renew up to 3 additional years.

The CEO or authorized designate shall ensure quote submissions are reviewed and that all specifications of the quote are met.

The Society reserves the right to accept or reject any submission.

To avoid conflicts of interest (e.g. where a non-arms length relationship exists), the Society shall:

- a) acquire goods and services in a manner consistent with the Society's conflict of interest policy;
- b) require prospective vendors participating in an acquisition process to declare any actual or potential conflict of interest;
- c) reserve the Society's right to disqualify prospective vendors from an acquisition process due to conflict of interest;
- d) reserve the right of the Society to solely determine whether any situation or circumstance constitutes a conflict of interest;
- e) require vendors to avoid any conflict of interest during the performance of their contractual obligations for the Society;
- f) require vendors to disclose any actual or potential conflict of interest arising during the performance of a contract;
- g) reserve the right of the Society to prescribe the manner in which a vendor should resolve a conflict of interest;
- h) allow the Society to terminate a contract where a vendor fails to disclose any actual or potential conflict of interest or fails to resolve its conflict of interest as directed by the Society; and,
- i) allow the Society to terminate a contract where a conflict of interest cannot be resolved.

Procurement Documentation

The level of acquisition documentation shall reflect the value of the purchase. All acquisitions greater than \$5,000 shall be documented. The greater the value of the purchase, then the greater the level of documentation required.

Proposed procurement documentation shall be reviewed to ensure clarity, reasonableness and quality.

Procurement documentation shall avoid use of specific products or brand names. The Society may specify a specific product, brand name or approved equal for essential functionality purposes to avoid unacceptable risk or for some other valid purpose. In such instances, the rationale for the decisions shall be documented.

The CEO or authorized designate shall ensure:

- a) consideration is given to the need for value analysis comparisons of options or choices;
- b) adequate value analysis comparisons are conducted to provide assurance that the specification will provide best value; and
- c) the analysis is documented and filed.

Documentation for the acquisition of professional services must include:

The basis on which the professional firm or individual was selected and why the fees are commensurate with the qualification of those firms or individuals.

A formal written agreement detailing:

- a) the conditions under which services are to be provided and paid for;
- b) periodic evaluation of results achieved; and
- c) that the supplier of the service provide detailed invoices containing sufficient detail to assess the appropriateness and reasonableness of amounts billed.

General Procurement Procedures

Verbal Quote:

Verbal quote documentation shall include a brief description of the goods or services, the name(s) of the vendor(s) solicited; the date of the quote(s) and the rationale for choosing a specific vendor whenever multiple quotations are required.

Written Quotes:

Written quote document shall include a description of the goods or services; a copy of the documentation provided to vendors to solicit quotations; a list of all vendors invited to quote including a note on any vendor who declined to provide a quote; copies of all quotes received; and the rationale for choosing the successful vendor.

Non-Competitive Purchases:

The requirement for competitive bid solicitation for goods, services and construction may be waived under joint authority of the CEO and CFO, under the following circumstances:

- a) where competition is precluded due to the application of any Act or legislation or because of the existence of patent rights, copyrights, technical secrets or controls of raw material;
- b) where due to abnormal market condition, the goods, services or

- construction required are in short supply;
- c) where only one source of supply would be acceptable and cost effective;
- d) where there is an absence of competition for technical or other reasons and a particular supplier can only supply the goods, services or construction and no alternative exists;
- e) where the nature of the requirement is such that it would not be in the public interest to solicit competitive bids as in the case of security or confidentiality matters;
- f) in the event of a "Emergency" as defined below in 5.13;
- g) where the requirement is for a utility for which there exists a monopoly;
- h) Boarding expenditures (including One on One Support Costs, Day Care Costs, etc.)
- i) Allowances paid to Foster Parents (clothing, spending, etc.);
- j) Expenditure reimbursements paid to foster parents;
- k) Health and related costs incurred on behalf of a Society client;
- l) Items covered by Collective Agreement or Employment Contract;
- m) Small dollar purchases where the annualized aggregate is less than \$5,000 and each individual purchase is less than \$1,000 (e.g. plumbing services).

When the Society intends to select a supplier to provide goods or services pursuant to this subsection a written report indicating the compelling rationale that warrants a non-competitive selection will be prepared prior to approval of the selection. Neither justification nor a written report are required for goods or services excluded as per above (Non-Competitive Purchases) g), h), i), j), k), l), & m).

Procurement in Emergencies:

"Emergency" includes an imminent or actual danger to the life, health or safety of an official or an employee while acting on the Society'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 Society.

Where, in the opinion of three senior managers, an emergency has occurred, the Society may initiate a purchase order in excess of the preauthorized expenditure limit provided that the justification for the exception is fully documented and included in the appropriate files.

Direct Negotiation:

Goods and services may be purchased using the Direct Negotiation method only if one or more of the following conditions apply:

- a) The required goods and services are reasonably available from only one source by reason of the scarcity of supply in the market or the existence of exclusive rights held by any supplier or the need for compatibility with goods and services previously acquired and there are no reasonable alternatives or substitutes.
- b) The required goods and services will be additional to similar goods and services being supplied under an existing contract (i.e. contract extension or renewal).

- c) An attempt to purchase the required goods and services has been made in good faith using a method other than Direct Negotiation which has failed to identify a successful supplier and it is not reasonable or desirable that a further attempt to purchase the goods and services be made using a method other than Direct Negotiation.
- d) The goods and services are required as a result of an emergency, which would not reasonably permit the use of a method other than Direct Negotiation.
- e) The required goods and services are to be supplied by a particular vendor or supplier having special knowledge, skills, expertise or experience.

Contractual Agreement:

The award of contract may be made by way of a formal agreement, Contract Record or Purchase Order.

A Purchase Order or Contract Record is to be used when the resulting contract is straightforward and will contain the Society's standard terms and conditions.

A formal agreement is to be used when the resulting contract is complex and will contain terms and conditions other than the Society's standard terms and conditions.

It shall be the responsibility of the CEO and the CFO to determine if it is in the best interest of the Society to establish a formal agreement with the supplier.

Where it is determined that Subsection 6.4.4 is to apply, the formal agreement shall be reviewed and approved.

Where a formal agreement is issued, the Society may issue a Purchase Order or Contract Record incorporating the formal agreement.

Where a formal agreement is not required, the Society shall issue a Purchase Order or Contract Record incorporating the terms and conditions relevant to the award of contract.

Exercise of Contract Renewal Options:

Where a contract contains an option for renewal, the CEO or authorized designate may exercise such option provided that all of the following apply:

- a) the supplier's performance in supplying the goods, services or construction is considered to have met the requirements of the contract,
- b) the CEO and CFO agree that the exercise of the option is in the best interest of the Society,
- c) funds are available in within the Society's approved budget including authorized revisions to meet the proposed expenditure, and
- d) a valid business case has been completed.

The business case shall be authorized by the CEO or CFO shall include a written explanation as to why the renewal is in the best interest of the Society and include comment on the market situation and trend.

Contract Amendments and Revisions:

No amendment or revision to a contract shall be made unless the amendment is in the best interest of the Society.

No amendment that changes the price of a contract shall be agreed to without a corresponding change in requirement or scope of work.

Amendments to contracts are subject to the identification and availability of sufficient funds in appropriate accounts within the Society's approved budget including authorized revisions.

The CEO and CFO may authorize amendments to contracts provided that the total amended value of the contract is within the approval authority.

Where expenditures for the proposed amendment combined with the price of the original contract exceeds the Society's approved budget for the project, a report prepared by the CFO shall be submitted to the CEO for approval.

Execution and Custody of Documents:

The CEO or CFO is authorized to execute formal agreements in the name of the Society.

The Society shall execute Purchase Orders and/or Contract Records issued in accordance with these provisions.

The CFO shall be responsible for the safeguarding of original purchasing and contract documentation for the contracting of goods or services for which the award is made by delegated authority.

Receipt of Goods:

The Society shall,

- a) arrange for the prompt inspection of goods on receipt to confirm conformance with the terms of the contract,
- b) rectify discrepancies immediately, and
- c) coordinate an appropriate course of action for any non-performance or discrepancies.

Reporting:

The Society shall maintain a register of all goods and services contracts, agreements, Vendors of Record and Purchase Orders valued in excess of \$25,000 for which this policy applies.

Management of moveable assets

All goods and services acquired for Society use must be managed in an efficient, effective and economical manner.

Appropriate systems must be established and maintained to enable the effective management and security of the Society's assets, including the periodic physical verification of movable assets at least once every four years.

Movable assets comprise durable items of machinery, business equipment and related apparatus, vehicles and other modes of transport, furniture and furnishings that are capable of being moved, whether the assets are in use or being held for later use, transfer, trade-in or disposal.

Disposal of Surplus Goods

All departments shall notify the CFO (or individual designated by the Society) when items become obsolete or surplus to their requirements.

The CFO shall be responsible for ascertaining if the items can be of use elsewhere within the Society.

Items that cannot be used may be offered for sale using a method appropriate to the materiality of the disposal. Justification for the method of disposal used must be documented by the Society along with a list of the actual items disposed of.

Procurement Not Covered by the Provisions under this Policy

This policy outlined does not apply to the procurement of services provided by the following licensed professionals:

- Medical Doctors;
- Dentists;
- Nurses;
- Pharmacists;
- Veterinarians;
- Engineers;
- Land Surveyors;
- Architects;
- Certified Public Accountants;
- Lawyers; and
- Notaries.

Other procurement not covered by the provisions outlined in this policy are the following:

- procurement of services from psychologists;
- procurement from philanthropic institutions, prison labour or persons with disabilities;

- procurement made pursuant to an agreement or policy concerning Aboriginal Peoples;
- procurement of goods related to cultural or artistic fields as well as computer software for educational purposes; and
- procurement of services from Outside Paid Institutions (OPIs) for children in the care of the Society.

When procuring services not covered by the provisions outlined in this policy, controls over the acquisition of, and payment for professional services must be in place. The Society must:

- document the basis upon which licensed professionals were selected and why the fees are commensurate with the qualifications of those licensed professionals;
- enter into formal written agreements detailing the conditions under which services are to be provided and paid;
- periodically evaluate the results achieved; and
- ensure that invoices contain sufficient detail to assess the appropriateness and reasonableness of amounts billed.

Appendix A

Definitions

- “Agreement” means a formal written legal agreement or contract for the supply of goods, services, equipment or construction
- “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
- “Contract” means any formal or deliberate written agreement for the purchase of goods, services, equipment or construction
- “contract record” is a document which outlines the terms and conditions of the agreement
- “Goods and services” includes supplies, materials and equipment of every kind required to be used to carry out the operations of a department
- “Irregular result” means that in any procurement process where competitive bids or proposals are submitted and any of the following has occurred or is likely to occur
- The lowest responsive bid or proposal exceeds the estimated cost or budget allocation
- For any reason the award of the contract to or the purchase from the lowest responsive bidder or proponent is procedurally inappropriate or not in the best interests of the Society
- The specifications of a tender call or request for proposal cannot be met by two or more suppliers
- “Irregularities contained in bids” is defined in Appendix “C” and includes the appropriate response to those irregularities
- “Irrevocable letter of credit” means an irrevocable letter on the financial institution’s standard form containing a request that the party to whom it is addressed pay the bearer or a person named therein money as a result of failure to perform or fulfill all the covenants, undertakings, terms, conditions and agreements contained in a contract
- “Professional service supplier” means a supplier of services requiring professional skills for a defined service requirement including: management and financial consultants; and firms or individuals having specialized competence in planning or other disciplines
- “Purchase order” means the purchasing document used to formalize a purchasing transaction with a vendor
- “Purchase requisition” means a written or electronically produced request in an approved format and duly authorized to obtain goods or services

- “Quotation” means a request for prices on specific goods and/or services from selected vendors which are submitted verbally, in writing or transmitted by facsimile as specified in the Request for Quotation
- “Request for proposal” means a process where a need is identified, but the method by which it will be achieved is unknown at the outset; this process allows vendors to propose solutions or methods to arrive at the desired result
- “Sealed bid” means a formal sealed response received as a part of a quotation, tender or proposal
- “Supplier” means any individual or organization providing goods or services to the Society including but not limited to contractors, consultants, vendors, service organizations etc.
- “Tender” means a sealed bid which contains an offer in writing to execute some specified services, or to supply certain specified goods, at a certain price, in response to a publicly advertised request for bids
- “Value Analysis” typically refers to a life cycle costing approach to valuing a given alternative, which calculates the long term expected impacts of implementing the particular option
- “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

Appendix B**Irregularities Contained in Bids**

IRREGULARITY	RESPONSE
Late Bids	Automatic rejection, not read publicly and returned unopened to the bidder.
Unsealed Envelopes	Automatic rejection
Incomplete, illegible or obscure bids or bids which contain additions not called for, erasures, alterations, errors or irregularities of any kind.	May be rejected as informal
Documents, in which all necessary Addenda have not been acknowledged.	Automatic rejection
Failure to attend mandatory site visit.	Automatic rejection
Failure to include signature of the person authorized to bind the Tenderer.	Automatic rejection
Conditions placed by the Tenderer on the Total Contract Price.	Automatic rejection
Bids Containing Minor Mathematical Errors	<p>If the amount tendered for a unit price item does not agree with the extension of the estimated quantity and the tendered unit price, or if the extension has not been made, the unit price shall govern and the total price shall be corrected accordingly</p> <p>If both the unit price and the total price are left blank, then both shall be considered as zero.</p> <p>If the unit price is left blank but a total price is shown for the item, the unit price shall be established by dividing the total price by the estimated quantity.</p> <p>If the total price is left blank for a lump sum item, it shall be considered as zero.</p> <p>If the Tender contains an error in addition and/or subtraction and/or transcription in the approved tender documentation format requested (i.e. not the additional supporting documentation supplied), the error shall be corrected and the corrected total contract price shall govern.</p> <p>Tenders containing prices which appear to be so unbalanced as to likely affect the interests of the Society adversely may be rejected.</p>

#22 - Purchasing Goods and Services – procurements (over \$100,000)

Background: As a publicly funded educational institution, the Children’s Aid Society is committed to a consistent, equitable and transparent procurement approach. It is essential that the Agency’s business dealings be beyond reproach to audit and public scrutiny. A comprehensive range of purchasing policies and procedures has been developed to ensure appropriate use of Agency resources through competitive purchasing, maintenance of honesty, integrity and fairness, and protection of the Agency and employees from implied liability or questions of legal or ethical practice.

Purpose: To identify operating practices associated with competitive quotations, proposals, tendering or purchase by negotiation.

Scope: These procedures apply to all procurement initiatives at the Agency of significant scope and cost to warrant the initiation by the Agency of competitive bidding processes.

STATEMENTS

1. The Agency will endeavor to acquire goods and services at the most favorable terms in accordance with Agency Purchasing Policies and Procedures. Where appropriate, the bidding process may involve quotations, proposals, tendering or purchase by negotiation. The Director of Corporate & Human Resources or his/her designate, is responsible for developing the required quotation, request for proposals, or tendering/bid documents.

To ensure procurement policies/procedures are followed, the Executive Director must be involved in all considerations for major acquisitions. To ensure objectives are achieved, the Senior Management Team is responsible for clearly defining their needs and quality requirements, assessing what is to be accomplished through the proposed major expenditure(s), and providing this documentation to the Director of Corporate & Human Resources. In instances where the lowest price is not the only deciding factor in vendor selection, other evaluation criteria will be determined from (but not limited to) documentation provided to the Director of Corporate & Human Resources. These criteria will be included in the *Request for Proposal*.

2. Segregation of Duties

The following chart illustrates different roles in the purchasing process. The Agency has segregated at least three of the five functional procurement roles: Requisition, Budgeting, Commitment, Receipt and Payment. Responsibilities for these roles lie with different individuals.

Roles	Explanation	Who
Requisition	Authorize the appropriate Senior Manager to place an order	Executive Director in consultation with the appropriate Senior Manager requesting the product or service
Budget	Authorize that funding is available to cover the cost of the order	Executive Director in consultation with the Director of Corporate & Human Resources
Commitment	Authorize release of the order to the supplier under agreed-upon contract terms	Appropriate Senior Manager
Receipt	Authorize that the order was physically received, correct and complete	Individual who has received the goods or service

Payment Authorize release of payment to the supplier Appropriate Senior Manager

3. SUPPLY CHAIN CODE OF ETHICS

3.1 The Code does not supersede codes of ethics that the Agency may have in place, but supplements the codes with supply chain-specific standards of practice.

The Agency adopts the Code in accordance with their governance processes. The policy intent is to establish that the conduct of all Members of the Agency involved with Supply Chain Activities must be in accordance with the Code.

The code is available and visible to all Members of the Agency as well as suppliers and other stakeholders involved with Supply Chain Activities.

(See Appendix B – Code of Ethics)

3.2 All participants of purchasing activities must act with integrity, professionalism and transparency.

3.3 Conduct business with suppliers with honesty and good faith. Provide fair, impartial and equal opportunity to all suppliers.

3.4 Information obtained in the purchasing process is used for Agency business only. Information must be kept confidential, and should not be divulged to non-Agency people.

4. CONFLICT OF INTEREST

4.1 The Finance and Administration Department and any participants of the evaluation of proposals committee must ensure that there is no conflict of interest in any procurement process.

4.2 The purchasing or influencing the purchase of equipment or material for the Agency from a company in which the employee, a member of his/her immediate family, or an individual with whom the employee has a close personal relationship, constitutes a conflict of interest.

4.3 Any individual, who is under any circumstances that could or might give a supplier an unfair evaluation during a procurement process, or compromise the ability of a supplier to perform its contractual agreement, should be excused from the procurement process.

4.4 The Agency reserves the right to require all individuals involved in any procurement activity to declare any actual or potential conflict of interest, determine whether any situation constitutes a conflict of interest and prescribe the manner to resolve a conflict.

4.5 In the event that a conflict of interest cannot be resolved, it will be referred through the appropriate line of management channels for resolution, up to and including the Board of Directors.

5. QUOTATIONS, PROPOSALS, TENDERS REQUIREMENTS

5.1 Requests for Proposal (RFP), Request for Tender (RFT), Expression of Interest and Qualification, and Requests for Quotations (RFQ) will be issued by the Finance and Administration Department for goods, services or construction as per Spending Authorization limits, Agency procedure XXXX.

5.2 An open competitive procurement process must be used for the purchase of all goods and services or construction with a value of \$100,000 (before taxes) and over.

6. POSTING COMPETITIVE PROCUREMENT DOCUMENTS

6.1 Appropriate advertising, will be determined by the Director of Corporate & Human Resources based on the type of procurement method and the nature of the requirement. Methods of advertising can include

newspaper advertisement, electronic posting on the Agency web site and electronic posting services available to the public.

6.2 In accordance with Federal "Agreement on Internal Trade" Annex 502.4, where the procurement value is expected to be \$100,000 or greater for goods or services and construction, the Agency will advertise requirements nationally on an internet tendering service provider via MERX*.

*Note: MERX is an entity that has been contracted by the federal government to operate the Government Electronic Tendering Service (GETS), an online system that advertises government contracting opportunities to potential bidders.

6.3 In addition, the Agency may elect to invite responses from selected or recommended suppliers. The invitation will include information related to the scope of the requirements, terms and conditions associated with response to the invitation, criteria of evaluation and all other known elements of information required under the duty of full disclosure.

7. REQUEST FOR INFORMATION (RFI)

7.1 A response to a RFI will not pre-qualify a potential supplier and will not influence their chances of being the successful proponent on any subsequent opportunity.

8. SUPPLIER PRE-QUALIFICATION

8.1 The Request for Supplier Qualification (RFSQ) enables the Agency 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 Agency to call on any supplier to provide goods or services as a result of pre-qualification. Prequalification will only need to be used if applicable.

9. TIMELINES FOR POSTING COMPETITIVE PROCUREMENTS

9.1 The Agency will provide suppliers a minimum response time of 15 days, ensuring that the closing date will be set on a normal working day.

9.2 The Agency will consider providing suppliers a minimum response time of 30 calendar days for procurements of high complexity, risk, and/or dollar value.

9.3 All Addenda must be issued at least 7 days prior to the closing date. If an addendum is issued within 7 days of the closing date, the closing date should be extended accordingly.

9.4 All Bids must be received before or on the closing date. Any bids received after the closing date/time, will not be accepted and will be returned to the supplier.

10. BID RECEIPT

10.1 Bid submission date and closing time will be clearly stated in the Agency's competitive procurement documents. The closing date is to be set on a normal working day. (Monday to Friday, excluding provincial and national holidays.)

11. EVALUATION CRITERIA

11.1 The evaluation criteria for proposals will be determined before submittal of the proposal by the user department and the Finance & Administration Department. In most cases, The Director of Corporate & Human Resources will be the evaluation committee facilitator.

11.2 Proposals will clearly outline mandatory, rated, and other criteria that will be used to evaluate submissions, including weight of each criterion.

11.3 Mandatory criteria (e.g., technical standards) should be kept to a minimum to ensure that no bid is unnecessarily disqualified.

11.4 Maximum justifiable weighting must be allocated to the price/cost component of the evaluation criteria.

11.5 All criteria must comply with Section 15, Non-discrimination.

11.6 The evaluation criteria are to be altered only by means of addendum to the competitive procurement documents.

11.7 If alternative strategies or solutions are requested then establish criteria must be provided prior to commencement of the competitive procurement process. Alternative strategies or solutions will not be considered unless they are explicitly requested in the competitive procurement documents.

12. EVALUATION PROCESS DISCLOSURE

12.1 Proposal documents will fully disclose the evaluation methodology and process to be used in assessing submissions, including the method of resolving tie score.

12.2 Proposal documents will state that submissions that do not meet the mandatory criteria will be disqualified.

13. EVALUATION TEAM

13.1 Proposals will be evaluated by a selection committee comprised of employee(s) from the user department, the Director of Corporate & Human Resources, plus any other employee deemed necessary.

13.2 Evaluation team member will 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.

13.3 Evaluation team members must sign a conflict-of-interest declaration and non-disclosure of confidential information agreement. (see Appendix E–Evaluation Team Non-Disclosure Agreement)

13.4 The proposal Evaluator Handbook (Appendix F) is provided to each member of the evaluation team with guidelines to help them in the process. The Director of Corporate & Human Resources will have overall responsibility for all matters involving the procurement and its procedures.

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

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

14. SELECTION PROCESSES

14.1 All qualified bidders will be evaluated according to the same criteria and process. The criteria will be predefined by the Agency and included in the Agency's proposal documentation. Proposals will not be opened publicly unless determined by the Agency that a public opening is appropriate.

14.2 The submission that receives the highest evaluation score and meets all mandatory requirements set out in the proposal document will be declared the winning bid.

14.3 Selection of vendor on a tender is not only based on price alone. It is also based on any additional factors related to the tender.

14.4 The Agency reserves the right to conduct discussion with selected bidders for the purpose of “purchase by negotiation” in certain circumstances such as (but not limited to) the lowest bid received substantially exceeds the estimated cost of the goods, limited or reduced project funding, change in scope unknown at the time of the bid request, etc.

14.5 In case of a tie bid between responsible bidders with substantially equal qualifications, the tie bidders may be invited to resubmit written bids below their original bid. In the alternative, the tie may be decided by lot, or all bids may be rejected and new bids solicited.

15. NON-DICRIMINATION

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

16. EXECUTING THE CONTRACT

16.1 An agreement notice will be signed by the successful vendor and the Director of Corporate & Human Resources.

16.2 The proposal or tender documents are considered the contract but in some cases a formal written contract may be required.

16.3 Where an immediate need exists for goods or services, and the Agency 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.

17. ESTABLISHING THE CONTRACT

17.1 The contract must be finalized using the form of agreement that is stated in the procurement documents.

17.2 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 Agency and the successful supplier must be defined formally in a signed written contract before the provision of supplying goods or services commences.

18. TERMINATION CLAUSES

18.1 Termination and cancellation clauses must be stated in the procurement documents.

18.2 When conducting complex procurements, appropriate clauses that permit cancellation or termination at critical project life-cycle stages should be considered.

18.3 In some cases legal advice should be considered on termination clauses.

19. LENGTH OF CONTRACT AND TERM OF AGREEMENT MODIFICATIONS

19.1 To ensure that the prices paid for major purchases are competitive, as well as to give all potential suppliers a fair opportunity to obtain Agency’s business, the time length of a contract with the same vendor/supplier is limited to a maximum of five years (three years contract plus two one-year extensions). After five years, the contract has to be sent out for a competitive procurement process.

19.3 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.

19.4 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. A completed signed Non-Competitive Approval Form would be required.

19.5 Purchasing contracts spanning more than one year must use the total multi-year dollar amount in determining the competitive purchasing practice (i.e. tender, RFP, etc.). Purchasing Services will maintain a list of multi-year contracts noting when each is due for re-tendering. The Director of Corporate & Human Resources will notify the appropriate individual/department in a timely fashion so as to effectively re-tender.

20. NOTIFICATION TO UNSUCCESSFUL VENDORS AND DEBRIEFING (FOR PROCUREMENT VALUED AT \$100,000 OR MORE)

20.1 All unsuccessful suppliers will be advised in the award notification letter of the successful vendor.

20.2 Award notifications will be posted electronically on the Agency website and Merx after an agreement is executed with the successful supplier. This posting will list the successful supplier, agreement start and end dates, and any extension options.

20.3 For procurements valued at \$100,000 or more, we will inform unsuccessful suppliers in the procurement documents about their entitlement to a debriefing.

20.4 Unsuccessful suppliers will have 60 calendar days following the date of the contract award notification to request a debriefing.

21. NON-COMPETITIVE PROCUREMENT

21.1 The Agency will employ a competitive procurement process to achieve optimum value for money. It is recognized, however, that special circumstances may require organizations to use non-competitive process.

21.2 The Agency may utilize non-competitive procurement only in situations outlined in the exemption, exception, or non-application clauses of the AIT or other trade agreements. (See appendix G – Non-Application clauses)

21.3 SINGLE SOURCING

The Agency may conduct non-competitive procurement in the circumstances listed below (also known as single-source situations); 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;

- Where goods or 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 confidentiality, cause economic disruption or otherwise be contrary to the public interest;

- Where a contract is to be awarded under a cooperation agreement that is financed, in whole or in part, by an international cooperation organization, only to the extent that the agreement between the entity and the Agency includes rules for awarding contracts that differ from the obligations set out in the Directive;

- Where construction materials are to be purchased and it can be demonstrated that transportation costs of technical considerations impose geographic limits on the available supply base, specifically in the case

of sand, stone, gravel, asphalt, compound and pre-mixed concrete for use in the construction or repair of roads;

- Where compliance with the open tendering provisions set out in the Directive would interfere with the entities' ability to maintain security or order or to protect human, animal or plant life or health; and
- In the absence of a receipt of any bids in response to a call for proposals or tenders made in accordance with the Directive.

21.4 SOLE SOURCING

Where only one supplier is able to meet the requirements of procurement, the Agency may conduct non-competitive procurement in the circumstance listed below (also known as sole-source situations) provided that they do not do so for purposes of avoiding competition between suppliers or to discriminate against suppliers:

- To ensure compatibility with existing products, to recognize exclusive right, such as exclusive licenses, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative;
- Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists;
- For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly;
- For the purchase of goods on a commodity market;
- 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 a prototype of a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases;
- For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases;
- For the procurement of original works of art;
- For the procurement of subscriptions to newspapers, magazines or other periodicals; and
- For the procurement of real property.

21.5 To establish such circumstance, the Director of Corporate & Human Resources must complete a non-competitive approval form (Appendix F), identifying the unique and/or exceptional situation of the acquisition, which prevents obtaining alternative pricing. This non-competitive approval form must be signed by the Director of Corporate & Human Resources, Executive Director and Board President, on behalf of the Board, if it is deemed necessary.

22. MANAGING THE CONTRACT

22.1 To ensure that contracts are managed responsibly and effectively:

- Accounts payable and the Director of Corporate & Human Resources must ensure that payments made are in accordance with provisions of the contract. Any overpayments must be recovered in a timely manner;
- The Director of Corporate & Human Resources will properly document assignments, and;
- Suppliers performance must be managed and documented, and any performance issues must be addressed. The Executive Director is to be kept informed of these issues and all documentation sent to him/her.

22.2 To manage disputes with the supplier throughout the life of the contract, a dispute resolution is to be provided in the contract.

22.3 For services, the Agency must:

- Establish clear terms of reference for the assignment. The terms should include 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 Broader Public Sector Expenses Directive and ensure all expenses are claimed and reimbursed in accordance with these rules.
- Ensure that expenses are claimed and reimbursed only where the contract explicitly provides for reimbursement of expenses.

23. PROCUREMENT RECORDS RETENTION

23.1 All competitive procurement documents for formal procurement processes must be filed with the Director of Corporate & Human Resources who will keep them in a recoverable form for a period of seven years from end of contract. All original copies are kept in the limited access Accounting Department files that remain in the administrative area that is locked during non-business hours. At the end of the procurement process all copies not required will be shredded.

23.2 Finance & Administration Department obtaining quotes and correspondence must retain records for a period of seven years after completion of the contract.

24. BID DISPUTE RESOLUTION

Competitive Procurement documents will 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. The Agency will determine what approach is most suitable for each procurement. **(See Appendix H - Bid Dispute Resolution Types)**

APPENDIX B

**Purchasing Services
Code of Ethics**

Goal: To ensure ethical, professional and accountable procurement activities at the Children's Aid Society.

1. Personal Integrity and Professionalism

All individuals involved with purchasing or other supply chain-related activities must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all purchasing activities within and between the college, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. All 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 money. All participants must ensure that public sector resources are used in a responsible, efficient and effective manner.

3. Compliance and Continuous Improvement

All individuals involved in purchasing or other supply chain-related activities must comply with this Code of Ethics and the laws of Canada and Ontario. All 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.

APPENDIX C

CONFLICT OF INTEREST DECLARATION

This conflict of Interest Declaration is in addition to the Conflict of Interest Policy found in the HR Policies and Procedures Manual.

I have read the Supply Chain Code of Ethics (attached) and understand the expectations for ethical conduct. Consistent with the Supply Chain Code of Ethics, I am capable of identifying a situation that constitutes a Conflict of Interest, such as but not limited to:

- I. Engaging in outside employment;
- II. Not disclosing an existing relationship that may be perceived as being a real or apparent influence on my objectivity in carrying out an official role;
- III. Having an ownership, investment interest, or compensation arrangement with any entity participating in the bid process with the organization;
- IV. Having access to confidential information related to the procurement initiative; and
- V. Accepting favours or gratuities from those doing business with the organization.

I, the undersigned, declare that I, and/or any member of my immediate family, do not have a Conflict of Interest, as such term is defined above and in the Conflict of Interest Policy, with respect to the following procurement:

Proposal Number Reference: _____

Proposal Title:

Including without limitation any Interest in connection with any of the companies or parent companies, or any of the products, this may be discussed during this procurement process.

Signature

Date

Print Name