

SECTION: ORGANIZATIONAL POLICY	SUBJECT: PROCUREMENT POLICY	DATE: June 7, 2012 BOARD APPROVED: June 7/2012
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1.0 PURPOSE

1.01 The purpose of this procurement policy is to:

- (1) promote transparency, fairness and accountability in the use of public funds by establishing guidelines for the acquisition of products and services, whether by purchase, rental or lease;
- (2) provide guidelines that will maximize value-for-money;
- (3) and ensure Brampton Caledon Community Living’s compliance with the *Broader Public Sector Accountability Act, 2010*.

1.02 This policy, and the Supply Chain Code of Ethics contained herein, is formally endorsed by the Board of Directors of Brampton Caledon Community Living and will be (1) distributed to BCCL employees involved with Supply Chain Activities, including but not limited to procurement, purchasing, materials/inventory management, planning, logistics/distribution, accounts payable, requisitioning or supplier or product evaluation (2) visible in procurement departments or their equivalents and (3) accessible in an electronic format to BCCL employees, suppliers and other stakeholders.

1.03 The *Broader Public Sector Procurement Directive Implementation Guidebook* issued by the Ministry of Finance in April 2011 is attached as an addendum to this policy. This guidebook serves to expand on procedures referenced in this policy and guide BCCL employees in the implementation of this policy.

2.0 POLICY

As a publicly funded organization, Brampton Caledon Community Living (“BCCL”) will maintain high legal, ethical, managerial and professional standards in the management of the resources entrusted to it.

3.0 SCOPE

This policy applies to the purchase of any goods, construction, and services, including but not limited to information technology and consulting services made using public funds. This policy also applies to goods and services purchased jointly with other organizations.

4.0 DEFINITIONS

“Goods and services” means any goods, construction and services, including but not limited to information technology and consulting services;

“Employees of Brampton Caledon Community Living” means members of the board of directors, senior executives and employees.

“Supply Chain Activities” means all activities directly or indirectly related to BCCL’s plan, source, procure, move and pay processes.

“Consultant” means a person or entity that under an agreement, other than an employment agreement, provides expert or strategic advice and related services for consideration and decision making.

“Consulting Services” means the provision of expertise or strategic advice that is presented for consideration and decision-making.

5.0 VALUE OF PROCUREMENT

Applicable sales taxes are not to be taken into consideration when determining the value of procurement for approval purposes.

6.0 SUPPLY CHAIN CODE OF ETHICS

6.01 Personal Integrity and Professionalism

BCCL employees 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. Confidential information must be safeguarded. Employees 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.

6.02 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.

6.03 Compliance and Continuous Improvement

BCCL employees involved with purchasing or other Supply Chain Activities must comply with this Code of Ethics and the laws of Canada and Ontario. BCCL employees should continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels and to share leading practices.

7.0 MANDATORY PROCUREMENT REQUIREMENTS

7.01 *Segregation of Duties and Approval Authority Levels Requirement*

At least three of five functional procurement roles (Requisition, Budgeting, Commitment, Receipt and Payment) must be segregated.

Where it is not feasible to segregate these duties adequate compensating controls approved by an external auditor must be put in place.

7.02 *Approval Authority Schedule Requirement*

7.02.1 Goods and Non-Consulting Services

Below is BCCL's Approval Authority Schedule (AAS) for procurement of goods and non-consulting services.

Goods and Non-Consulting Services Commitment Approval Authority Schedule	
Total Procurement Amount	Delegated Purchasing Authority Level
\$0 up to but not including \$1,000	Manager
\$1,000 up to but not including \$ 2,500	Director
\$2,500 up to but not including \$100,001	Executive Director
\$100,001 or more	Board of Directors

Prior to commencement, any procurement of goods and non-consulting services must be approved by the appropriate authority in accordance with BCCL's Approval Authority Schedule.

7.02.2 Consulting Services

Prior to commencement, any procurement of consulting services must be approved in accordance with Procurement Approval Authority Schedule for Consulting Services, below.

Procurement Approval Authority Schedule for Consulting Services		
Method	Value	Approval Authority
Invitational Competitive	\$0 up to but not including \$10,001	Director of Finance and Human Resources
	\$10,001 up to but not including \$100,001	Executive Director
	\$100,001 or more	Board of Directors
Open Competitive	\$0 up to but not including \$10,001	Director of Finance and Human Resources
	\$10,001 up to but not including \$100,001	Executive Director
	\$100,001 or more	Board of Directors
Non-Competitive (Exemption based only)	\$0 up to but not including \$10,001	Director of Finance and Human Resources
	\$10,001 up to but not including \$100,001	Executive Director
	\$100,001 or more	Board of Directors

7.02.3 All Procurements

The overall value of any type of procurement, whether goods, consulting, or non-consulting, is not to be reduced in order to circumvent the approval requirements; for example, dividing a single procurement into multiple procurements.

7.02.4 Competitive Procurement

7.02.5 Open Competitive Procurement

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

7.02.6 Invitational Competitive Procurement

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

7.03 Competitive Procurement Thresholds Requirement

An open competitive procurement process is required when the estimated value of procurement of goods or service is \$100,000 or more.

An open competitive procurement process is required for consulting services irrespective of value.

7.04 Information Gathering Requirement

Where results of informal supplier or product research are insufficient, formal processes such as Request for Information (RFI) or Request for Expression of Interest (REFI) may be used if warranted, taking into consideration the time and effort required to conduct them.

A response to RFI or REFI 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.

7.05 Supplier Pre-Qualification Requirement

The Request for Supplier Qualification (RFSQ) is used 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 to call any supplier to provide goods or services as a result of pre-qualification.

7.06 Posting Competitive Procurement Documents Requirement

Calls for open competitive procurements must be made through an electronic tendering system that is readily available by all Canadian suppliers.

7.07 Timelines for Posting Competitive Procurements Requirement

A minimum response time of 15 calendar days must be provided to suppliers for procurement of goods and services valued at \$100,000 or more.

7.08 Bid Receipt Requirement

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

Submissions delivered after the closing time must be returned unopened.

7.09 Evaluation Criteria Requirement

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

Competitive procurement documents must outline mandatory, rated and other criteria that will be used to evaluate submissions, including 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 outlined in the competitive procurement documents must be used when selecting the winning submission.

Suppliers should not be asked to provide information that will not be evaluated as such information may affect the outcome of the evaluation process.

7.10 Evaluation Process Disclosure Requirement

The competitive procurement requirements must fully disclose the evaluation processes 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.

7.11 Evaluation Team Requirement

An evaluation team comprised of at least the Executive Director, Human Resource and Financial Director, Property Manager, and a Director will be responsible for reviewing and rating the compliant bids.

Members of the evaluation team 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.

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

7.12 Evaluation Matrix Requirement

Each evaluation team members 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.

7.13 Winning Bid Requirement

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.

7.14 Non-Discrimination Requirement

There will be no discrimination or preferential treatment in awarding a contract to a supplier as a result of a competitive procurement process.

7.15 Executing the Contract Requirement

The agreement between BCCL 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 BCCL and the supplier are not able 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 Executive Director.

7.16 Establishing the Contract Requirement

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

7.17 Termination Clause Requirement

All contracts must include appropriate cancellation or termination clauses.

Contract clauses that permit cancellation or termination at critical project life-cycle stages should be considered when conducting complex procurements.

7.18 Term of Agreement Modifications Requirement

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 BCCL authority must be obtained before executing any modifications to the term of the agreement.

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

7.19 Contract Award Notification Requirement

For procurements valued at \$100,000 or more, contract award notification will be posted in the same manner as the procurement documents were posted. The notification must be posted after the agreement between BCCL and the successful supplier was executed. Contract award notification must list the name of the successful supplier, agreement start and end dates, and any extension options.

7.20 Supplier Debriefing Document Requirement

For procurements valued at \$100,000 or more, BCCL must inform all unsuccessful suppliers about their entitlement to a debriefing.

Unsuccessful suppliers must be provided 60 calendar days following the date of the contract award to request a debriefing.

7.21 Non-Competitive Procurement Requirement

A non-competitive procurement process can be employed under special circumstances identified in the *Broader Public Sector Procurement Directive Implementation Guidebook*. The special circumstances include:

- Non-application clauses under the Agreement on Internal Trade (AIT) or other trade agreement.
- Single-source situations
- Sole sourcing situations

7.22 Contract Management Requirement

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 collected in a timely manner.

Assignments must be properly documented. Supplier performance must be managed and documented, and any performance issue must be addressed.

A dispute resolution process should be included in the contract.

For services: (a) the terms of reference for the assignment should include objectives, background, scope, constraints, staff responsibilities, and knowledge transfer requirements (b) expense claims and reimbursement rules compliant with the Broader Sector Expenses Directive (c) expenses are claimed and reimbursed only where the contract explicitly provides for reimbursement of expenses.

7.23 Procurement Records Retention Requirement

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

7.24 Conflict of Interest Requirement

Individuals involved with Supply Chain Activities, including BCCL employees, suppliers, and consultants, must declare actual or potential conflicts of interest. Where a conflict of interest arises, it must be evaluated and appropriate mitigation action will be taken.

7.25 Bid Dispute Resolution

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

8.0 SUPPORTING MATERIALS

8.1 Value-Add Incentives

A value-add incentive is an offer by a supplier over and above the primary goods and services being purchased, with the intent to increase the total value received by the customer.

Value-add incentives must not be considered unless they are explicitly requested in the competitive procurement documents to maintain transparency

ACKNOWLEDGEMENT OF RECEIPT OF - PROCUREMENT POLICY

I, _____ acknowledge I have read, understand and agree to follow the Procurement Policy as outlined above

Signature/ Employee

Signature/ Manager

Date