

Procurement of Goods and Services		8020
Chapter 8: Purchasing/Expenditures	Department: Finance	
Date Approved:	Date Revised:	
Source Reference: Government Ontario – Broader Public Sector Procurement Directive www.doingbusiness.mgs.gov.on.ca		

POLICY:

A competitive procurement process will be undertaken when practical for the purchase goods and services, to ensure value for money. Nogdawindamin Family and Community Services acquisition of goods and services will be clearly outlined and based on a transparent review which is in compliance of the Broader Public Sector Procurement Directives under Section 12 of the Broader Public Sector Accountability Act, 210. Ongoing reviews will be completed to ensure compliance with any changes within the Broader Public Sector Procurement Directives. The three items below will be segregated as to who performs the item. Requisition/receipt by supervisor, budgeting by Director of Finance or Accounting Manager, Payment by accounts payable. Commitment to the expense can be performed by supervisor level and can be the same supervisor that performed requisition/receipt of goods or services.

PROCEDURE:

1. The following thresholds will apply to the tendering process for the purchase of **goods and services**:

Purchase Expenditure by Vendor (not including sales tax)	Means of Procurement	Tendering Requirement
Under \$10,000	Purchase Order/Direct Invoice/Credit Card	Minimum of two verbal quotations required unless on vendor of record list
\$10,000 to \$99,999	Invitation	Minimum of 2 written quotations
\$100,000 or more	Open – Request for Proposal/Tender issued	Minimum of 3 responsive proposals

The following thresholds will apply to the tendering process for the purchase of **consulting** services:

Purchase Expenditure by Vendor (not including sales tax)	Means of Procurement	Tendering Requirement
0 to \$100,000	Invitational or open competitive process	Minimum of two written quotations required
\$100,000 or more	Open competitive process	Minimum of 3 responsive proposals

2. A Vendor of Record will be established when actual demand is not known in advance. The Agency will establish and maintain a reference list of approved vendors (supplier listing) to procure frequently used goods or services (not consulting) under \$10,000. When a purchase is required for frequently used goods or services, it is to be procured through a supplier listed on the vendor of record using a purchase order, direct billing, or credit card purchase.
3. Non-competitive purchases may occur as a result of the following:
 - a) Act, Legislation or the existence of patent or copyrights;
 - b) Short supply as a result of abnormal market conditions;
 - c) Only one source of supply being acceptable and cost effective;
 - d) Absence of competition;
 - e) Security and confidentiality matters;
 - f) Emergency situations;
 - g) Monopoly of a utility;
 - h) Boarding expenditures;
 - i) Allowances/reimbursements paid to Alternative Care Providers;
 - j) Health costs incurred on behalf of an Agency client.
 - k) Specialty items or services where only 1 supplier exists.
4. Direct negotiation may be used only when one or more of the following conditions apply:
 - a) Required goods and services will be similar to goods and services under an existing contract;
 - b) Failed attempt at using a method other than direct negotiation;
 - c) Goods and services are to be supplied by a vendor with special knowledge, skills, or expertise.

For competitive bids the following rules must be followed:

Where results of informal supplier or product research are insufficient, formal processes such as a Request for Information (RFI) or Request for Expression of Interest (RFEI) may be used if warranted, taking into consideration the time and effort required to conduct them. A response to RFI or RFEI must not be used to pre-qualify a potential supplier and must not influence the chances of the participating suppliers from becoming the successful proponent in any subsequent opportunity.

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.

Posting Competitive Procurement Documents

Calls for open competitive procurements must be made through an electronic tendering system that is readily accessible by all Canadian suppliers for open competitive bids. Invitational can be sent out to vendors as chosen.

Timelines for Posting Competitive Procurements

Must provide suppliers a minimum response time of 15 calendar days for procurement of goods and services valued at \$100,000 or more. Must consider providing suppliers a minimum response time of 30 calendar days for procurements of high complexity, risk, and/or dollar value.

Bid Receipt

Bid submission date and closing time must be clearly stated in competitive procurement documents. Must set the closing date of a competitive procurement process 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.

Evaluation Criteria

Evaluation criteria must be developed, reviewed, and approved by the board or subcommittee of the board prior to commencement of the competitive procurement process. Competitive procurement documents must clearly outline mandatory, rated, and other criteria that will be used to evaluate submissions, including weight of each criterion. Mandatory criteria (e.g., technical standards) should be kept to a minimum to ensure that no bid is unnecessarily disqualified. Maximum justifiable weighting must be allocated to the price/cost component of the evaluation criteria. All criteria must comply with Non-discrimination clause. The evaluation criteria are to be altered only by means of addendum to the competitive procurement documents. May request suppliers to provide alternative strategies or solutions as a part of their submission. 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.

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.

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.

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.

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.

Non-Discrimination

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

Executing the Contract

The agreement between Nogdawindamin 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 Nogdawindamin 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 board or subcommittee of the board.

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

Termination Clauses

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

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.

Contract Award Notification

For procurements valued at \$100,000 or more, Organizations must 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 Organization was executed. Contract award notification must list the name of the successful supplier, agreement start and end dates, and any extension options.

Supplier Debriefing

For procurements valued at \$100,000 or more, Nogdawindamin will inform all unsuccessful suppliers about their entitlement to a debriefing. Nogdawindamin must allow unsuccessful suppliers 60 calendar days following the date of the contract award notification to request a debriefing.

Non-Competitive Procurement

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

Nogdawindamin may utilize non-competitive procurement only in situations outlined in the exemption, exception, or non-application clauses of the AIT or other trade agreements. Prior to commencement of non-competitive procurement, supporting documentation must be completed and approved by an appropriate authority within Nogdawindamin.

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, Nogdawindamin may include a dispute resolution process in their contracts. For services, Nogdawindamin will:

- 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 Directive¹ 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.

¹As set out in the *Broader Public Sector Accountability Act, 2010* (s.10)

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. Nogdawindamin will have a written policy for handling, storing, and maintaining the suppliers' confidential and commercially sensitive information.

Conflict of Interest

Nogdawindamin will 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.

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.