



779 Base Line Road East
London, Ontario N6C 5Y6

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| Policy Section | Finance |
| Policy Subsection | Accounts Payable |
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Policy or Goal Statement: To set guidelines for the procurement of equipment, supplies and services according to the Broader Public Sector (“BPS”) Procurement Directive issued by Management Board of Cabinet, effective April 1, 2011. The purpose of the Directive is:

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

This policy applies to all Thames Valley Children's Centre (“TVCC”) expenses incurred by staff related to all programs and all sources of funding, except where specific written policies of certain granting agencies apply.

The guiding principles are:

- **Accountability:** TVCC must be accountable for the results of its procurement decisions and the appropriateness of the processes.
- **Transparency:** TVCC must be transparent to all its stakeholders. Wherever possible, stakeholders must have equal access to information on procurement opportunities, processes and results.
- **Value for Money:** TVCC 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 TVCC 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.

Supply Chain Code of Ethics:

Goal: To ensure an ethical, professional open and accountable supply chain practices.

I. 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 supply chain activities within and between BPS organizations, 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 favors, providing preferential treatment, or publicly endorsing suppliers or products.

II. 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.

III. 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.

Policy:

1. This policy applies to all TVCC purchases and applies to all TVCC staff and programs that purchase equipment, supplies and services. It assigns responsibility to the Director, Finance and delegates for the monitoring, control and processing over the purchasing of Centre equipment, supplies and services.
2. Purchases of non-work related items, including free samples for personal use, must not be accepted by any TVCC staff.
3. The CEO and Director, Finance and delegates identified in this policy are the only persons authorized to engage TVCC in setting the terms and conditions for the purchase of equipment, supplies and services. Purchasing and other delegated authorities will ensure that programs and services receive the right product, at the right time, in the right place and at the best possible prices. For similar value, preference will be given to products with the highest Canadian content and those that are most environmental friendly.

The Chief Executive Officer, Directors and Managers are authorized to make purchases for their program areas, including identified capital items, within approved budget parameters.

Signing authority limits are as follows:

- Up to \$3,000– one signature - Chief Executive Officer, Director or Manager or Principal Investigators for Research Projects
- Up to \$10,000 – one signature - Chief Executive Officer or Director
- Over \$10,000 – two signatures required – Director and Chief Executive Officer.
- Purchases beyond approved budget parameters must have Board approval.

The Centre will not assume payment responsibility for orders placed by anyone other than those specified above.

4. The Centre will comply with the Occupational Health and Safety Act, (as amended from time to time), and other legislation, national standards and codes of practice to ensure that all supplies and equipment purchased for use, as far as reasonably practicable, are safe and healthy for staff, clients, students and visitors. It is important that the Occupational Health and Safety issues be considered before and during any procurement.

5. The procurement process will adhere to the Procurement Policies & Procedures – BPS Standards from the Management Board of Cabinet BPS Procurement Directive as noted below.

Procurement Process:

A/ Purchase Orders

1. When the decision has been made to purchase goods or services, a Purchase Order (PO) must be completed to place the order with the vendor. The completed PO is a legally binding document, and must be completed according to TVCC policy with appropriate authorization and documentation.
2. Purchase orders can be obtained from the Business Office where the employee name and P.O. number will be logged for tracking purposes.
3. The requester completes the Purchase Order, indicating complete supplier name, address, postal code, fax number, item catalogue number, quantity, price, extension, applicable taxes, shipping and any other pertinent information and forwards it to their Manager or Director along with any quotes, contracts or other pertinent documentation as well as the Vendor Quotation Form or Non-Competitive Procurement Form if applicable.
4. The Director or Manager confirms if the cost of item(s) is in line with the allocated budget, ensures the PO is complete, assigns an account number and signs and dates the PO, retains the goldenrod copy and forwards the remaining 3 copies to the Accounting Clerk for processing.
5. The Accounting Clerk verifies that the PO is complete and the appropriate authorizations are in place, assigns a fiscal year tracking number and logs the PO summary information.
6. The PO is then faxed or emailed to the vendor except in the following cases:
 - Direct pickup – the original (white copy) will be sent with the employee to the supplier
 - Cheque is required with order – the original (white copy) will be mailed with the cheque and any required order form. Any accompanying order forms or other documentation must be completed prior to being sent to the Business Office
 - On-line credit card purchases – white and pink copies will be returned to the cardholder. For further details on credit card purchases please refer to FIN.0411.
7. The P.O. is stamped with the date it was faxed or emailed. The canary copy (and white copy if not sent out) is filed in the Business Office awaiting packing slip and invoice. The pink copy is returned to the program. Please note: Supplier invoices should come directly to the Business Office, if you receive one please forward it to the Business Office immediately. Also, if you receive an invoice with your name in the heading please contact the vendor and have them change the attention line to 'Accounts Payable' as all invoices should be directed to the Business Office originally. If the supplier would like to send the invoice by email, direct them to send it to AccountsPayable@tvcc.on.ca.
8. When the program receives the items ordered, they must verify and sign the packing slip and forward it to the Business Office immediately, indicating the status of any goods not received (back orders).
9. The packing slip is held with the P.O. until the supplier invoice is received in the Business Office. All paperwork is then forwarded to Accounts Payable for payment processing.
10. If items are back ordered, the Accounts Receivable Clerk holds the canary copy (or photocopy if original was sent out) of the Purchase Order in the open P.O. file, and awaits the remainder of the order or notification of cancellation by the program.

11. It is the responsibility of the requesting program to follow up on any disputed billing charges (prices different from what was noted on PO).
12. For PO requirements for Corporate Credit Card purchases, refer to FIN.0411 – Corporate Credit Card Purchasing.
13. Despite careful planning, sometimes 'rush' orders will be necessary. 'Rush' orders must be approved in the usual manner and should be noted as 'rush' in the comments section of the PO.
14. Purchase orders are numbered sequentially, and as such all must be accounted for. All voided purchase orders must be returned to the Business Office noted as such. If a PO is inadvertently discarded, please notify the Accounting Clerk.

B/ Acquisition of Goods

1. All equipment purchases are to be guided by completing the 'Safe Purchase Checklist' as noted in FAC.0200 – Equipment Management. All electrical equipment must have CSA approval
2. When required, there is coordination with other programs and services of the Centre to ensure that the purchasing process uses the best skills of all involved.
3. When feasible, the Business Office bundles requests to maximize economies of scale, which could delay the purchasing process for some requests.
4. If the cost of the completed request exceeds the budget allocation, the purchasing Director consults with the CEO and Director, Finance to determine if funds are available. If funds are not available, the request is cancelled or kept on hold by the Director, Finance to see whether savings materialize from other purchases.

C/ Acquisition of Services

i/ Service Contracts

1. The Director, Finance will have access to all relevant information and participate in the negotiation and selection process for services when requested.
2. Once a service contract has been established, the appropriate Program Director or Manager deals directly with the supplier, as necessary.
3. Before a service contract expires, the responsible Program Director or Manager reviews the contract and discusses the renewal with the Director, Finance.
4. Managers that experience difficulties during the term of the service contract should advise their Director. If the difficulties continue, the Director will bring in the Director, Finance, who will attempt to resolve the difficulties.
5. A Purchase Order will be sourced according to Procurement Policies & Procedures – BPS Standards from the Management Board of Cabinet BPS Procurement Directive as noted below and as per internal instructions above.

ii/ Consulting Services

1. TVCC recognizes the need for the use of consultants to bolster the required expertise in bringing to fruition certain corporate objectives or initiatives. See definition section for 'consultant' and 'consulting services'.

2. The following licensed professional services are exempt from competitive bidding in the Agreement on Internal Trade (AIT): engineers, land surveyors, architects, accountants, lawyers and notaries. Nonetheless, TVCC will endeavor to review its service arrangements with such professionals from time to time and when deemed necessary.
3. Justification for the use of consultants will be documented and will receive prior approval by the CEO prior to the engagement.
4. Procurement for consulting services will be according to the relevant Approval Authority Schedule (AAS) below with no exception. A minimum of three written proposals/quotes must be requested from qualified providers.
5. All bid proposals and related evaluation summaries are documented to support the bid award decision.
6. Formal signed written contracts are in place before work begins with all contracts co-executed by the Chief Executive Officer and the requesting Director.
7. Follow-on contracts are awarded using a separate competitive process; if not, the justification for not doing so is properly documented and approved per item 5 above.
8. Invoice payments are tied to specific deliverables, expenses reimbursed are reasonable, and detailed receipts are made available upon request. Total payments to consultants are within the pre-set contract-ceiling price. Additional payments are justified with proper documentation and approval set forth herein.
9. Consultants are not considered staff and therefore should not be covered by TVCC's business and travel expenses policy. Consultants should seek reimbursement only for reasonable travel and business expenses explicitly agreed to in the contract.
10. Consultants are required to make a formal declaration of possible conflict of interests.

D/ Competitive Procurement - Tenders and Quotes

1. For purchases with an estimated value before taxes of \$1,000 to \$5,000, verbal quotes are required from a minimum of two suppliers and details are attached to the PO (these are recorded on a Quotation Summary Form and attached to the PO).
2. For purchases with an estimated value before tax of \$5,001 to \$10,000, written quotes are required from a minimum of two suppliers and are attached to the PO along with a completed Quotation Summary Form.
3. For purchases with an estimated value of \$10,001 to \$99,999 written quotes from an invitational competitive procurement process are required from a minimum of three sources. Exceptions include specific service contracts and situations where there is only one or two identifiable supplier(s) who meet the specifications. All exceptions must be documented and authorized by the Director when within the authorization limit.
4. Purchases of \$100,000 and more, including a cumulative value of \$100,000 for contracts that extend a year require an open competitive process. Tenders must be posted on the Merx or the Bid Navigator Systems.
5. Exceptions to non-competitive procurement include Single Source, Sole Source and Vendor of Record arrangements. The Director, Finance will collaborate with the requesting Director to coordinate these non-competitive arrangements.
6. The Director, Finance, in collaboration with the requesting Director, coordinates all requests for tenders, based on specifications prepared by the requesting director/delegate. This includes preparation of specifications, review of proposals, summary sheets of proposals and organization of trials (if necessary). The Director, Facilities, completes tenders for

service contracts, renovations and construction projects. The Director, Communication, Education and Technology will complete the tender for services contacts for information technology and/or information systems.

7. Price is not the only consideration in the selection. Additional factors include meeting pre-determined specifications, service, warranty, delivery time, reliability, compatibility with existing equipment, etc.
8. A Purchase Order will be sourced according to Procurement Policies & Procedures – BPS Standards from the Management Board of Cabinet BPS Procurement Directive as noted below and as per internal instructions above.

E/ Non-Competitive Procurement

Competitive procurement processes should be used to get maximum value for money. There may be situations, however, where organizations are unable to conduct competitive procurement or get maximum value under competitive procurement. In these situations, the Non-Competitive Procurement Form must be used in order to document the reason for using this method and to obtain proper approvals before the procurement is undertaken. The completed form must be attached to the Purchase Order before sending it to the Business Office along with any key relevant information.

F/ Requester Approval Authority Levels

Purchases (including shipping, tax and any other related charges) within approved budget parameters are authorized as follows:

- Up to \$3,000– one signature - Chief Executive Officer, Director or Manager or Principal Investigators for Research Projects
- Up to \$10,000 – one signature - Chief Executive Officer or Director
- Over \$10,000 – two signatures required – Director and Chief Executive Officer
- Purchases beyond approved budget parameters must have Board approval.

G/ Approval Authority Schedule (“AAS”)

For Consulting Services:

| Procurement Method | Procurement Value | Approval Authority |
|--|--------------------------|--|
| Invitational Competitive (Minimum 3 written quotes) | \$0 to \$99,999 | Approval authority level for goods and non-consulting services |
| Open Competitive | Any value | Approval authority level for goods and non-consulting services |
| Non-competitive* | \$0 up to \$999,999 | CEO or equivalent |
| | \$1,000,000 or more | Board of Directors or equivalent |

**Exception-based only*

For Goods and Non-Consulting Services:

| Procurement Method | Procurement Value | Approval Authority |
|--|--------------------------|--|
| Minimum 2 verbal quotes | \$1,000 to \$5,000 | Approval authority level for goods and non-consulting services |
| Minimum 2 written quotes – | \$5,001 to \$10,000 | Approval authority level for goods and non-consulting services |
| Invitational Competitive (Minimum 3 written quotes) | \$10,001 to \$99,999 | Approval authority level for goods and non-consulting services |
| Open Competitive | \$100,000 or more | Approval authority level for goods and non-consulting services |

Procurement Policies & Procedures – BPS Standards

The following procurement policies and procedures (PPP) standards from the Management Board of Cabinet BPS Procurement Directive form an integral part to this policy and TVCC's procurement process.

Exemptions, Exceptions and Non-Applications under Trade Agreements

Where an exemption, exception or non-application clause exists under the Agreement on Internal Trade (AIT) or other trade agreement, the Centre may apply this clause when conducting procurement; however in doing so, it must formally establish and document the applicability of the exception/exception or non-application.

1. Segregation of Duties

The Centre must segregate at least three of the five functional roles: Requisition, Budgeting, Commitment, Receipt and Payment. Responsibilities for these roles must lie with different programs and services or, at a minimum, with different individuals. In circumstances where it is not feasible to segregate these roles, adequate compensating controls approved by the external auditor must be put in place.

2. Approval Authority

2.1 Goods and Non-Consulting Services

The Centre must establish an approval authority schedule (AAS) for procurement of goods and non-consulting services. The AAS must identify, for each of the functional procurement roles identified in 1 above, authorities that are allowed to approve procurements for different dollar thresholds. The AAS must be approved by the Board of Directors of the Centre or delegated Board Committee.

Prior to commencement, any procurement of goods and non-consulting services must be approved in accordance with the AAS.

Prior to commencement, any non-competitive procurement of goods or non-consulting services must be approved by an authority one level higher than the AAS requirements for competitive procurement.

2.2 Consulting Services

Prior to commencement, any procurement of consulting services must be approved in accordance with the AAS for consulting services.

The Centre must not reduce the overall value of procurement (e.g. dividing a single procurement into multiple procurements) in order to circumvent the approval requirements of the Centre's AAS.

3. Competitive Procurement Thresholds

The Centre must conduct an open competitive procurement where the estimated value of procurement of goods or services is \$100,000 or greater. The exemptions must be in accordance with the applicable trade agreements.

The Centre must competitively procure consulting services irrespective of value. The exemptions must be in accordance with the applicable trade agreement.

4. Information Gathering

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

A response to an 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.

5. Supplier Pre-Qualification

The Request for Supplier Qualification (RFSQ) enables the Centre 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 on the part of the Centre to call on any supplier to provide goods or services as a result of the pre-qualification.

6. Posting Competitive Procurement Documents

Calls for competitive procurements shall be made through an electronic tendering system that is readily accessible to all Canadian suppliers.

Construction contracts between \$100,000 and \$250,000 are not subject to the requirements of the AIT. Calls for those competitive procurements can be made through an electronic tendering system and/or one or more of the following methods:

- Publication in one or more predetermined daily newspapers that are easily accessible to all Canadian suppliers; or
- The use of source lists, such as VORs or preferred suppliers' lists.

7. Timelines for Posting Competitive Procurements

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

8. Bid Receipt

Bid submission date and closing time must be clearly stated in the competitive procurement documents. The Centre 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 not be considered and returned unopened.

9. Evaluation Criteria

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

The competitive procurement documents must clearly outline 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 section 14, Non-discrimination, of the standards.

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

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

10. Evaluation Process Disclosure

Competitive procurement documents must fully disclose the evaluation methodology and process to be used in assessing submissions, including the method of resolving tie score.

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

11. Evaluation Team

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

Evaluation team members must be aware of the restrictions related to utilization and distribution of confidential and commercially sensitive information collected through the competitive procurement process and refrain from engaging in activities that may create or appear to create a conflict of interest.

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

12. Evaluation Matrix

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

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

13. Winning Bid

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

14. Non-Discrimination

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

15. Executing the Contract

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

Where an immediate need exists for goods or services and the Centre and the supplier are unable to finalize the contract as described above, an interim purchase order may be used. The justification of such a decision must be documented and approved by the appropriate authority.

16. Establishing the Contract

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

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

17. Termination Clauses

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

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

18. Term of Agreement Modifications

The term of the agreement and any options to extend the agreement must be set out in the competitive procurement documents. An approval by an appropriate authority must be obtained before executing any modifications to the term of agreement.

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

19. Contract Award Notification

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

20. Supplier Debriefing

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

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

21. Non-Competitive Procurement

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

The Centre 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 the Chief Executive Officer.

22. Contract Management

Procurements and the resulting contracts must be managed responsibly and effectively.

Payments must be made in accordance with provisions of the contract. All invoices must contain detailed information sufficient to warrant payment. Any overpayment must be recovered in a timely manner.

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

To manage disputes with suppliers throughout the life of the contract, the Centre should include a dispute resolution process in their contracts.

For services, the Centre 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 BPS Expense 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

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

The Centre must have a written policy for handling, storing and maintaining the supplier's confidential and commercially sensitive information.

24. Conflict of Interest

The Centre must monitor any conflict of interest that may arise as a result of the Members' of the Centre's, advisors, external consultants or suppliers' involvement with the Supply Chain Activities. Individuals involved with the Supply Chain Activities must declare actual or potential conflicts of interest. Where a conflict of interest arises, it must be evaluated and an appropriate mitigating action must be taken.

25. Bid Dispute Resolution

Competitive procurement documents must outline bid dispute 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 agreement.

Other Related Policies and Procedures

TVCC must conduct procurement activities according to the law in Ontario, including contract law, the law of competitive processes, privacy legislation, accessibility legislation and any other legislation as may be applicable.

TVCC may also be subject to various trade agreements, including but not limited to the Agreement on Internal Trade (AIT) and the Ontario-Quebec Trade and Cooperation Agreement (Ontario-Quebec Agreement).

Definitions:

Accountability: The obligation of an employee, agent or other person to answer for or be accountable for, work, action or failure to act following delegated authority.

Agreement: A formal written document entered into at the end of the procurement process.

Agreement on Internal Trade (AIT): regulates trade between provinces in order to ensure that all Canadian suppliers have equal access to public sector procurement. Under the AIT, Organizations must post all procurement opportunities that meet or exceed the stated dollar thresholds (\$100,000 for goods and services and \$250,000 for construction) on an electronic tendering system readily accessible by all suppliers across Canada.

Approval Authority: The authority delegated by TVCC to a person designated to occupy a position to approve on its behalf one or more procurement functions up to specified dollar limits, subject to the applicable legislation, regulations and procedures in effect at such time.

Approval Level: Criteria, often dollar levels that define which approvals are needed for various business transactions. Limits are set on the size and nature of the business transactions and are assigned to the individual or job role authorized to execute based on the appropriate level of responsibility.

Authorized Requestor: Individuals entrusted by TVCC, with budgetary responsibilities and empowered to request products, supplies and services designating the cost to their respective expense codes.

Award: The notification to a proponent of acceptance of a proposal, quotation or tender that brings a contract into existence.

Bid: A proposal, quotation or tender submitted in response to a solicitation from a contracting authority. A bid covers the response to any of the three principal methods of soliciting bids, i.e., Request for Tender, Request for Proposal and Request for Quotation.

Bid Protest: A dispute raised against the methods employed or decisions made by a contracting authority in the administration of a process, leading to the award of a contract.

Bidders' Conference: A meeting chaired by the soliciting BPS organization to discuss with potential proponents, technical, operational and performance specifications, and/or the full extent of financial, security and other contractual obligations related to a bid solicitation.

Chief Executive Officer: The head of operations at TVCC.

Competitive Procurement: A set of procedures for developing a procurement contract through a bidding or proposal process. The intent is to solicit fair, impartial, competitive bids.

Conflict of Interest: A situation in which financial or other personal considerations have the potential to compromise or bias professional judgment and objectivity. An apparent conflict of interest is one in which a reasonable person would think that the professional's judgment is likely to be compromised.

It is important to note that a conflict of interest exists whether or not decisions are affected by a personal interest; a conflict of interest implies only the potential for bias, not likelihood. For example: A situation in which someone who must make a decision in an official or professional capacity may stand to profit personally from the decision.

Construction: Construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement.

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

Consulting Services: Is the provision of expertise or strategic advice that is presented for consideration and decision-making in such areas as management, information technology, technical activities, research and development, policy and communications. Consulting Services differ from Purchased Services and Contracted Out Services.

Contract: An obligation, such as an accepted offer, between competent parties upon a legal consideration, to do or abstain from doing some act. It is essential to the creation of a contract that the parties intend that their agreement shall have legal consequences and be legally enforceable. The essential elements of a contract are an offer and an acceptance of that offer; the capacity of the parties to contract; consideration to support the contract; a mutual identity of consent or consensus ad idem; legality of purpose; and sufficient certainty of terms.

Contracted Out Services: Services performed for TVCC using the providers' personnel, supplies and equipment.

Cost of Equipment: Includes the purchase price in Canadian dollars, freight, taxes where applicable, insurance and handling costs during shipping, renovation costs prior to installation, and installation cost (including consulting, engineering and other professional fees and expenses such as initial equipment/software training and manuals for user operation and technical requirements).

Designated Broader Public Sector Organization: An organization to which section 12 of the BPS Accountability Act, 2010 applies.

Direct Award: The award of a procurement contract without organizing a competitive process. A direct award is only appropriate under certain special circumstances as set out in the BPS *Supply Chain Guideline*.

Electronic Tendering System: A computer-based system that provides suppliers with access to information related to open competitive procurements.

Equipment: The definition of equipment is based on the nature and purpose, life expectancy and unit cost of each item.

Equipment - Capital: has a unit value over \$1,000.00 and a useful life extending beyond 1 year. The main classification rule is based on the necessity to amortize the cost over the life expectancy of the item, generally 3, 5, 10 or 40 years.

Equipment - Operating: has a unit value less than \$1,000.00 and a useful life extending beyond 1 year.

Evaluation Criteria: A benchmark, standard or yardstick against which accomplishment, conformance, performance and suitability of an individual, alternative, activity, product or plan is measured to select the best supplier through a competitive process. Criteria may be qualitative or quantitative in nature.

Evaluation Matrix: A tool allowing the evaluation team to rate supplier proposals based on multiple pre-defined evaluation criteria.

Evaluation Team: Individuals designated/responsible to make award recommendation. The evaluation team would typically include representatives from the purchasing organization and subject matter expert(s) (SME's). Each member participates to provide business, legal, technical and financial input.

Evaluation Team Lead: The individual selected by the evaluation team to be responsible for coordinating the evaluation process.

Fair Market Value: The price that would be agreed to in an open and unrestricted market between knowledgeable and willing parties dealing at arm's length who are fully informed and not under any compulsion to transact.

Freedom of Information and Protection of Privacy Act (FIPPA): The *Freedom of Information and Protection of Privacy Act* (FIPPA) is a National legislation stipulating a right of access to records held by public bodies and regulates how public bodies manage personal information.

Goods: Moveable property (including the costs of installing, operating, maintaining or manufacturing such moveable property) including raw materials, products, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form, unless they are procured as part of a general construction contract.

Goods and Services/Goods or Services: Means all goods and/or services including construction, consulting services and information technology.

Green Procurement: The purchase of environmentally preferable goods and services and the integration of environmental performance considerations into the procurement process including planning, acquisition, use and disposal.

Environmentally preferable goods and services are those that have a lesser or reduced impact on the environment over the life cycle of the good or service, when compared with competing goods or services serving the same purpose.

Environmental performance considerations include, among other things: the reduction of greenhouse gas emissions and air contaminants; improved energy and water efficiency; reduced waste and support of reuse and recycling; the use of renewable resources; reduced hazardous waste; and reduced toxic and hazardous substances.

Group Purchasing Initiatives (GPI): A buying group created to achieve efficiencies and economies of scale by combining the purchasing requirements and activities of multiple organizations into one joint procurement process. GPI's include cooperative arrangements in which individual members administer the procurement function for specific contracts for the group, and more formal corporate arrangements in which the organization administers procurement for group members. GPI's may involve a variety of entities, including public sector, private sector and not-for-profit organizations. Also, GPIs may develop common contracts available to a broader group, which allow members to select from multiple suppliers.

Information Technology: The equipment, software, services and processes used to create, store, process, communicate and manage information.

Invitational Competitive Procurement: Any form of requesting a minimum of three (3) qualified suppliers to submit a written proposal in response to the defined requirements outlined by the Centre.

Members' of the Centre: Means members of the board of directors, management and employees of the Centre or their equivalent.

Merx and Bid Navigator: are internet services providing public sector organizations a means to publish and manage requests for proposals and related documents online. It is the central point for acquisition projects for the public sector at national, regional and local levels. This centralized approach ensures access to tenders to any supplier and is available, by internet, 24 hours a day, 7 days a week.

Non-Discrimination: Fairness in treating suppliers and awarding contracts without prejudice, discrimination or preferred treatment.

Offer: A promise or a proposal made by one party to another, intending the same to create a legal relationship upon the acceptance of the offer by the other party.

Ontario-Quebec Trade and Cooperation Agreement: gives local suppliers from Ontario and Quebec equal access to public sector purchasing. This covers open competitive purchases for goods, services and construction from \$100,000.

Organization: means every organization that is in scope for the purposes of the Management Board of Cabinet BPS Procurement Directive.

Procurement: Acquisition by any means, including by purchase, rental, lease or conditional sale of goods or services.

Procurement policies and procedures (PPP): standards from the Management Board of Cabinet BPS Procurement Directive form an integral part to this policy and TVCC's procurement process.

Procurement Value: The estimated total financial commitment resulting from procurement, taking into account optional extensions.

Purchase Order (PO): A purchaser's written offer to a supplier, formally stating all terms and conditions of a proposed transaction.

Purchased Services: The hiring of individuals to perform tasks, which are normally provided by TVCC staff. The service is normally provided within one of TVCC's sites of services.

Request for Expressions of Interest (RFEI): A document used to gather information on supplier interest in an opportunity or information on supplier capabilities/qualifications. This mechanism may be used when the Centre wishes to gain a better understanding of the capacity of the supplier community to provide the services or solutions needed. A response to a RFEI must not pre-qualify a potential supplier and must not influence their chances of being the successful proponent on any subsequent opportunity.

Request for Information (RFI): A document issued to potential suppliers to gather general supplier, service or product information. It is a procurement procedure whereby suppliers are provided with a general or preliminary description of a problem or need and are requested to provide information or advice about how to better define the problem or need, or alternative solutions. A response to an RFI must not pre-qualify a potential supplier and must not influence their chances of being the successful proponent on any subsequent opportunity.

Request for Proposal (RFP): A document used to request suppliers to supply solutions for the delivery of complex products or services or to provide alternative options or solutions. It is a process that uses predefined evaluation criteria in which price is not the only factor.

Request for Supplier Qualifications (RFSQ): A document used to gather information on supplier capabilities and qualifications, with the intention of creating a list of pre-qualified suppliers. This mechanism may be used either to identify qualified candidates in advance of expected future competitions or to narrow the field for an immediate need. The Centre must ensure that the terms and conditions built into the RFSQ contain specific language to disclaim any obligation on the part of the Centre to actually call on any supplier as a result of information-gathering activities to supply such materials or services.

Request for Tender (RFT): A document used to request supplier responses to supply goods or services based on stated delivery requirements, performance specifications, terms and conditions. An RFT usually focuses the evaluation criteria predominantly on price and delivery requirements. This document may also be called a Request for Quotation (RFQ) where the Centre has described exactly what needs to be purchased and the evaluation is made solely on price.

Segregation of Duties: A method of process control to manage conflict of interest, the appearance of conflict of interest, and errors or fraud. It restricts the amount of power held by any one individual. It puts a barrier in place to prevent errors or fraud that may be perpetrated by one individual.

Services: Intangible products that do not have a physical presence. No transfer of possession or ownership takes place when services are sold, and they (1) cannot be stored or transported, (2) are instantly perishable, and (3) come into existence at the time they are bought and consumed. Services may consist of labour and materials, equipment maintenance agreement, professional and consulting services purchased from external service providers and professionals.

Single Source: The use of a non-competitive procurement process to acquire goods or services from a specific supplier even though there may be more than one supplier capable of delivering the same goods or services.

Sole Source: The use of a non-competitive procurement process to acquire goods or services where there is only one available supplier for the source of the goods or service.

Supplier/Vendor: Any person or organization that, based on an assessment of that person's or organization's financial, technical and commercial capacity, is capable of fulfilling the requirements of a procurement.

Supplier/Vendor Debriefing: A practice of informing a supplier as to why their bid was not selected upon completion of the contract award process.

Supplies: are items that are charged to the operating budget in a single year and are considered as an ongoing operating budget expense such as testing material used in allied health disciplines. Goods that are consumable in nature are not considered equipment, irrespective of the cost. Parts and accessories purchased after the initial acquisition of a device are considered supplies when purchased individually.

Supply Chain Activities: Any activity whether directly or indirectly related to an organization's plan, source and procure, move and pay processes. It includes everything, starting from research, scoping and defining needs by end users until the final payment.

Supply Chain Management: The full range of processes that manage the flow of goods and services, information, and dollars between suppliers, customers and end-users, as well as the supporting infrastructure required to enable these processes.

Total Cost of Ownership/ Total Life-Cycle Costs (TCO): An estimate or calculation that considers all direct and indirect costs of an asset, good or service over its useful life, from acquisition to disposal. Total cost of ownership includes items such as the purchase price, implementation fees, upgrades, maintenance contracts, support contracts, licence fees and disposal costs.

Transparency: A foundational objective of the PPP. BPS institutions must be open to all stakeholders. BPS suppliers must have fair access to information on procurement opportunities, processes and results.

Trade Agreements: Any applicable trade agreement to which Ontario is a signatory.

Value for Money/ Best Value: A foundational objective of the PPP. BPS institutions must maximize the value they receive from the use of public funds. A value-for-money approach aims to deliver products and services with a lower total life-cycle cost while maintaining a high standard.

Vendors of Record (VOR) Arrangement: A procurement arrangement that authorizes organizations to select from one or more pre-qualified vendor(s), typically by way of a formal second-stage process, for a defined period on terms and conditions, including pricing, as set out in the particular VOR agreement. Vendors-of-record arrangements are used to reduce costs to the organization by establishing strategic relationships with a small group of suppliers.


Cross References: FIN.0103 Signing Officers and Purchasing Limits
FIN.0411 Corporate Credit Card Purchasing
FAC.0200 Equipment Management

Review: Tri- Annually – Director, Finance

Revised/Supersedes: FIN.0401 Procurement - August 2015

Distribution: Executive Office, Centre-wide

Chief Executive Officer
Title


Signature

August 30/2018
Date

Director, Finance
Title


Signature

Aug 30, 2018
Date

Attachments:

- Sample Purchase Order
- Vendor Quotation Form
- Non-Competitive Procurement Approval Form

Thames Valley Children's Centre



779 Base Line Road E., London, ON N6C 5Y6
Phone: 519.685.8700 ext 53364 Fax: 519.685.8698

PURCHASE ORDER

30824

This number MUST appear on all
Invoices and Packing Slips.

SERVICE AREA: _____

G/L ACCOUNT NUMBER: _____

REQUISITION DATE: _____

CAPITAL BUDGET NUMBER: _____

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| SHIP TO ADDRESS ATTENTION OF: |
| ADDRESS : |
| POSTAL CODE : |

| CATALOGUE NUMBER | QUANTITY ORDERED | DESCRIPTION | PRICE | QTY x PRICE |
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QUOTE NUMBER (if applicable): _____

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| SUBTOTAL | |
| HST | |
| TOTAL | |

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| SUPPLIER : | FAX NUMBER : |
| ADDRESS : | |
| | POSTAL CODE : |

COMMENTS :

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|----------------|-----------------------|-------------------------|
| REQUESTED BY : | AUTHORIZING MANAGER : | DATE OF AUTHORIZATION : |
| | | |

QUOTATION SUMMARY FORM

Specified Good/Services(s): _____

| Names of Suppliers who were invited to quote For Goods and Non-Consulting Services: \$1,000 to \$5,000 - min 2 verbal quotes \$5,001 to \$10,000 - min 2 written quotes <i>(please attach)</i> \$10,001 to \$99,999 - min 3 written quotes <i>(please attach)</i> For Consulting Services: \$0 to \$99,999 - min 3 written quotes <i>(please attach)</i> | Price <i>(before tax)</i> Including Shipping and Handling Charges | Does Quotation conform to Specification and Delivery Requirements? |
|---|--|---|
| | | YES / NO |
| | | YES / NO |
| | | YES / NO |
| | | YES / NO |
| | | YES / NO |
| Name of Successful Supplier | | |
| Name of person obtaining the quotations | | |
| If not the lowest price, give reason(s) for awarding to the chosen supplier | | |
| Authorizing Signature | | |
| Date | | |

Attach this form to the purchase order before sending to the Business Office

Non-Competitive Procurement Approval Form

Briefing Note

Background

Explanation of the good or service (what it is, how it is used, where it is used, why it is needed, who made the request) and how it fits with organizational objectives. Describe the circumstances that have created this situation. Describe any risks or implications.

Justification

Clearly explain why bypassing the competitive process is necessary and justify why this exception is required. Provide details on what due diligence was performed to confirm the situation. If this is a renewal, explain how the original decision was made (i.e., how this good or service was selected).

Actions Taken

Explain the cost/benefit analysis (if applicable) including details of the value proposition for the organization given the non-competitive procurement circumstances.

Required Timing

State when the good or service is required (helps to ensure sign-offs completed in time).

1. Identify non-competitive procurement type: Sole Sourcing Single Sourcing
 Non-Application
2. What are you procuring?: Goods Non-Consulting Services Consulting Services
3. Specify the exception code: _____ (see attached – Exception Codes)
4. Total Procurement Value: \$0.00 Contract Base Term & Extension: _____
5. Name of Recommended Supplier: _____
6. Goods: a) Is the Recommended Supplier the manufacturer? Yes No N/A
b) Does the manufacturer sell the item(s) through distributors? Yes No N/A
7. Services: Is there a ceiling on the contract value? Yes No
8. Is relevant documentation attached? Yes No
9. If documentation not attached, where can it be found? _____

ACKNOWLEDGEMENT

I am aware of the Organization’s competitive procurement process and criteria for approving non-competitive sourcing. I am comfortable the necessary due diligence has been conducted to support the recommendation. I have fairly and clearly outlined the background, justification, actions taken and required timing of this purchase in the briefing note.

Briefing note prepared by: Name: _____

Title: _____ Department: _____

Signature: _____ Date: _____

APPROVAL SIGNATURES

First Sign-Off: Director

Name: _____ Signature: _____ Date: _____

Final Sign-Off: CEO

Name: _____ Signature: _____ Date: _____

Non-Competitive Procurement Approval Form – Exception Codes

Sole Source

- a. To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licences, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative;
- b. 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;
- c. For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly;
- d. For the purchase of goods on a commodity market;
- e. For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor;
- f. 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;
- g. For a contract to be awarded to the winner of a design contest;
- h. 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;
- i. For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases;
- j. For the procurement of original works of art;
- k. For the procurement of subscriptions to newspapers, magazines or other periodicals; and
- l. For the procurement of real property.

Single Source

- a. 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.
- b. 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;
- c. 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 organization includes rules for awarding contracts that differ from the obligations set out in the Directive;
- d. Where construction materials are to be purchased and it can be demonstrated that transportation costs or 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;
- e. 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
- f. In the absence of a receipt of any bids in response to a call for proposals or tenders made in accordance with the Directive.

Non-Application

- a. Procurement of goods intended for resale to the public;
- b. Contracts with a public body or a non-profit organization;
- c. Procurement of goods and services purchased on behalf of an entity that is out of scope of the Directive;
- d. Procurement from philanthropic institutions, prison labour or persons with disabilities;
- e. Procurement of any goods the inter-provincial movement of which is restricted by laws not inconsistent with the trade agreements;
- f. Procurement of goods and services that is financed primarily from donations that are subject to conditions that are inconsistent with the Directive;
- g. Procurement of goods and services related to cultural or artistic fields and computer software for educational purposes;
- h. Procurement of services that in Ontario may, by legislation or regulation, be provided only by any of the following licensed professionals: medical doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, accountants, lawyers and notaries;
- i. Procurement of services of financial analysts or the management of investments by organizations who have such functions as a primary purpose;
- j. Procurement of financial services respecting the management of financial assets and liabilities (i.e., treasury operations), including ancillary advisory and information services, whether or not delivered by a financial institution;
- k. Procurement of goods and services for use outside Canada as well as construction work done outside Canada; and
- l. Health services and social services.