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Approved by:	Chief Executive Officer & VP, Finance & Administrative Services	Accountability:	VP, Finance & Administrative Services
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Applicable Legislation:	Broader Public Sector Accountability Act, 2010 , Broader Public Sector Procurement Directive		

POLICY TITLE:

Procurement

CWSDS will operate a central purchasing system and abide to the Broader Public Sector (BPS) Procurement Directive issued by the Management Board of Cabinet under the authority of the Broader Public Sector Accountability Act, 2010, (Section 12).

PURPOSE

The purpose of the Directive is:

- To ensure that publicly funded goods and services, including construction, consulting services, and information technology will be outlined through a process that is open, fair and transparent.
- To ensure that CWSDS' responsibilities will be outlined throughout each stage of the procurement process.
- To ensure that the procurement processes are managed consistently throughout the Broader Public Sector Procurement Directive Policy.
- To provide guidelines for entering into contracts and to establish internal controls over the authorization of procurement processes.
- To ensure that CWSDS will endeavor to receive value for money when procuring goods, services and consulting services.

PRINCIPLES

The Directive is based on five key principles that will allow CWSDS to achieve value for money while following a procurement process that is fair and transparent to all stakeholders:

Accountability	CWSDS will be accountable for the results of its procurement decisions and the appropriateness of the processes
Transparency	CWSDS will be transparent to all stakeholders and wherever possible, stakeholders will have equal access to information on procurement opportunities, processes and results
Value for Money	CWSDS will maximize the value it receives from the use of public funds
Quality Service Delivery	CWSDS will ensure that services provided will be the right product, the right time and in the right place
Process Standardization	CWSDS will ensure that fair and transparent standardized processes is created to remove inefficiencies

KEY DEFINITIONS

“Goods and Services” means any goods, construction, and services, including but not limited to IT and consulting services.

“Members of an Organization” means all trustees, members of the Board of Directors, Senior Executives, and employees of the organization, or their equivalent.

“Supply Chain Activities” means all activities directly or indirectly related to the organization’s planning, sourcing, procurement, moving and payment process.

“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.

“Contract” means 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.

ONTARIO BROADER PUBLIC SECTOR (PBS) SUPPLY CHAIN CODE OF ETHICS

Goal: CWSDS will ensure an ethical, professional and accountable BPS Supply Chain

1. Personal Integrity and Professionalism

All CWSDS staff involved with the Supply Chain Activities will act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence will be integral to all Supply Chain Activities within and between CWSDS, suppliers and other stakeholders. Respect will be demonstrated for each other and for the environment. Confidential information will be safeguarded. Participants will 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

CWSDS will ensure that the Supply Chain Activities will be open and accountable. In particular, contracting and purchasing activities will be fair, transparent and conducted with a view to obtaining the best value for public money. CWSDS will ensure that public sector resources are used in a responsible, efficient and effective manner.

3. Compliance and Continuous Improvement

CWSDS will ensure that individuals involved with purchasing or other Supply Chain Activities will comply with this Code of Ethics and the laws of Canada and Ontario. CWSDS staff involved will continuously work to improve supply chain policies and procedures, to improve its supply chain knowledge and skill levels, and to share leading practices.

Procedure

CWSDS will ensure that all contracts entered by, or in the name of Central West Specialized Developmental Services, will follow the requirements set forth in the Broader Public Sector (BPS) Procurement Directive.

The 25 mandatory requirements of the BPS Directive are as follows:

[7.2.1 Mandatory Requirement #1: Segregation of Duties](#)

[7.2.2 Mandatory Requirement #2: Approval Authority](#)

[7.2.2.1 Goods and non-consulting services](#)

[7.2.2.2 Consulting services](#)

[7.2.3 Mandatory Requirement #3: Competitive Procurement Thresholds](#)

[7.2.4 Mandatory Requirement #4: Information Gathering](#)

[7.2.5 Mandatory Requirement #5: Supplier Pre-Qualification](#)

[7.2.6 Mandatory Requirement #6: Posting Competitive Procurement Documents](#)

[7.2.7 Mandatory Requirement #7: Timelines for Posting Competitive Procurements](#)

[7.2.8 Mandatory Requirement #8: Bid Receipt](#)

[7.2.9 Mandatory Requirement #9: Evaluation Criteria](#)

[7.2.10 Mandatory Requirement #10: Evaluation Process Disclosure](#)

[7.2.11 Mandatory Requirement #11: Evaluation Team](#)

[7.2.12 Mandatory Requirement #12: Evaluation Matrix](#)

[7.2.13 Mandatory Requirement #13: Winning Bid](#)

[7.2.14 Mandatory Requirement #14: Non-Discrimination](#)

[7.2.15 Mandatory Requirement #15: Executing the Contract](#)

[7.2.16 Mandatory Requirement #16: Establishing the Contract](#)

[7.2.17 Mandatory Requirement #17: Termination Clauses](#)

[7.2.18 Mandatory Requirement #18: Term of Agreement Modifications](#)

[7.2.19 Mandatory Requirement #19: Contract Award Notification](#)

[7.2.20 Mandatory Requirement #20: Supplier Debriefing](#)

[7.2.21 Mandatory Requirement #21: Non-Competitive Procurement](#)

[7.2.22 Mandatory Requirement #22: Contract Management](#)

[7.2.23 Mandatory Requirement #23: Procurement Records Retention](#)

[7.2.24 Mandatory Requirement #24: Conflict of Interest](#)

[7.2.25 Mandatory Requirement #25: Bid Dispute Resolution](#)

AUTHORITY TO SIGN – CONSULTING SERVICES

Procurement Method	Procurement Value	Approval Authority
Invitational Competitive	\$0 up to \$99,999	Chief Executive Officer
Open Competitive	Any Value	Chief Executive Officer
Non-Competitive*	\$0 up to \$999,999	Chief Executive Officer
	\$1,000,000 or more	Board of Directors

*Exemption based only

AUTHORITY TO SIGN GOODS, NON-CONSULTING SERVICES AND CONSTRUCTION

The following thresholds and approval levels are required for the procurement of goods, non-consulting services and construction:

Total Procurement Value	Means of Procurement	Approval Authority
Up to \$500	Petty Cash, Operating Funds Request, Request to Purchase	Manager
Up to \$2,500	Operating Funds request, Request to Purchase	Regional Manager
Up to \$5,000	Request to Purchase	Director
\$5,000 - \$99,999	Request to Purchase up to \$10,000 Over \$10,000: Invitational Competitive (min of three suppliers)	Chief Executive Officer with Executive Management Team (min 3 members)
\$100,000 or more*	Open Competitive Process	Chief Executive Officer & Board of Directors

* The requirements must be defined properly and clearly and in compliance with the procedures covered in the BPS Procurement Directives.

When determining the value of procurement for approval, do not take into consideration applicable sales taxes.

OPEN COMPETITIVE PROCUREMENT

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

Suppliers must be provided a minimum response time of 15 calendar days for procurement of goods and services valued at \$100,000 or more. For procurement of high complexity, risk and/or dollar value allow a minimum response time of 30 calendar days.

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

Evaluation Criteria

- Evaluation criteria are developed, reviewed and approved by the appropriate authority prior to commencement of the competitive procurement process.
- Competitive procurement documents 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.
- CWSDS will not discriminate or exercise preferential treatment in awarding a contract to a supplier as a result of a competitive procurement process.
- The evaluation criteria are to be altered only by means of addendum to the competitive procurement documents.
- CWSDS may request suppliers to provide alternative strategies or solutions as a part of their submission. Criteria to evaluate alternative strategies or solutions must be established prior to the 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 are 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 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. The criterion that is scored is specific to the suppliers being evaluated. Records of evaluation scores must be retained for audit purposes and are kept within the Financial Department.
- 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.

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.

Executing the contract

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

Where an immediate need exists for goods or services and the contract cannot be finalized as described, an interim purchase order may be used. The justification of such decision must be documented and approved by the Chief Executive Officer.

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. form of agreement was not released with the procurement document), the agreement with 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, consider whether use of contract clauses that permit cancellation or termination at critical project life-cycle stages.

Term of agreement modifications

The term of the agreement of 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 modification to the term of the 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.

Approval Authority regarding Supplies and Capital Expenditures less than \$10,000.00:

- where funds are available in a specific budget line in the current approved budget, any single item requires the Informal Procurement Process to be followed with three written quotations.
- where funds are not available in a specific budget line in the current approved budget, the item can be funded from another line with approval of the Chief Executive Officer, and the same process is followed as above.

Request to Purchase

The Manager authorizes the Request to Purchase form that outlines the following information:

- Cost Centre
- Date
- Preferred supplier, name and address
- Description of item requested
- Total estimated cost
- Cost Centre account number
- Reason / rationale for purchase
- Attach documentation regarding comparative quotes, selected supplier and reasons for selecting supplier
- Cost Centre Manager
- For amounts in excess of \$1,000.00, the approval signature of the **Director** is required, over \$5,000.00, the approval of the Chief Executive Officer is required.

Placing the Order

Upon receipt of the Request to Purchase form duly completed and authorized with all the relevant information, the Finance Department will generally have the responsibility to place the order.

All products purchased must be CSA approved and all WHMIS controlled substances will be clearly labeled and MSDS sheets must be provided by the supplier. The goods will not be received at CWSDS unless MSDS sheets are accompanied by products or previously submitted by the supplier.

The Finance Department has the option to find an alternative supplier for the items required – taking into account price, quality, delivery, and service. In the event that an alternative supplier is to be used, the Finance Department will advise the generator of the Request to Purchase form. In the case of a dispute, the final decision will rest with the Chief Executive Officer.

The Finance Department will place the order if required.

Receiving

Upon receipt of goods, the Storeskeeper will check the goods against the packing slip, sign, and date the receiving slip, ensure that MSDS sheets (where applicable) are received, and forward to the Finance Department for subsequent matching with the invoice and payment.

Approval Authority regarding Supplies and Capital Expenditures greater than \$10,000.00 and less than \$100,000:

- where funds are available in a specific budget line in the current approved budget, any single item requires the Invitation Competitive Procurement Process to be followed in accordance with the BPS Procurement Directive.
- where funds are not available in a specific budget line in the current approved budget, the item can be funded from another line with approval of the Chief Executive Officer, and the same process is followed as above.

Approval Authority regarding Supplies and Capital Expenditures greater than \$100,000.00:

- where funds are available in a specific budget line in the current approved budget, any single item requires the Open Competitive Procurement Process to be followed in accordance with the BPS Procurement Directive.

PROCUREMENT RECORD RETENTION

CWSDS will handle, store and maintain vendor's confidential and communicational sensitive information in an appropriate and legal manner.

CWSDS will 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 applicable.

REFERENCES

<http://www.fin.gov.on.ca/BPSsupply>

Copy of the Broader Public Sector (BPS) Procurement Directive Policy Guidelines attached.