

# 2011

## York Support Services Network

### **[ PROCUREMENT POLICIES AND PROCEDURES ]**

*The Government of Ontario established a Broader Public Sector Procurement Directive that is to be followed by all publicly funded organizations that receive public funds of 10 million dollars or more. The purpose of this Directive is to ensure that publicly funded goods and services, including construction, consulting services and information technology are acquired through a process that is open, fair and transparent. This procurement policy outlines the responsibility of York Support Services throughout each stage of acquisition and ensures that the procurement process is managed consistently.*

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# Principles of the Procurement Process

The following are the five key principles that allow YSSN to achieve value for money while following the Ministry procurement Directives.

**Accountability:** YSSN is held accountable for the results of our procurement decisions.

**Transparency:** The process must be transparent to stakeholders and wherever possible they must have equal access to information on procurement opportunities. This is done by announcing open competitions on our website.

**Value for Money:** YSSN must maximize the value they receive from the use of public funds. Goods and Services must deliver optimum total lifecycle cost.

**Quality Service Delivery:** Front-line services provided by YSSN, such as Case Management, Crisis and Access services must utilize the right product at the right time to perform their responsibilities.

**Process Standardization:** Standardized processes remove inefficiencies and create a level playing field.

## Key Definitions;

1. *Goods and Services* means any goods, construction, and services, including but not limited to IT and consulting services.
2. *Members of the Organization* – means all trustees, members of the board of Directors, Senior Management, and employees of YSSN or their equivalent.
3. *Supply Chain Activities* means all activities directly or indirectly related to YSSN's planning, sourcing, procurement, moving, and payment process.
4. *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
5. "Non-consulting Service Provider" is an individual/company who contracts to provide services, other than consulting services to another individual or business. Examples may include "consultants" such as property brokers, head hunters or trainers.

## Process for Procurement of Goods and Services

### ***Approval Authority Schedule (AAS) with Competitive Procurement Thresholds***

YSSN has an Approval authority Schedule (AAS) established for procurement of goods and services. This schedule identifies the authorities that are allowed to approve procurements for different dollar thresholds. The AAS has been approved by the Board of Directors.

YSSN will conduct an open competitive procurement process where the estimated value of goods or services is \$100,000 or more . A competitive process will take place for consulting services irrespective of the value.

<b>GOODS, NON CONSULTING SERVICES AND CONSTRUCTION</b>		
<b>Total Procurement Value</b>	<b>Means of Procurement</b>	<b>Approval Authority</b>
<b>\$0 to \$500</b>	Petty Cash / Purchase Order for Supply Request	Local admin staff/ Account clerk who manages petty cash and supplies
<b>\$500 up to \$5,000</b>	Purchase Order	Finance Manager
<b>\$5,001 up to \$10,000</b>	Purchase Order Invitational Competitive Procurement Process if Capital or renovations.	Finance Manager for ongoing items but with Executive Director for unique items.
<b>\$10,000 up to \$100,000</b>	Invitational Competitive Procurement (minimum 3 suppliers are invited to submit a bid)	Senior Management will follow procurement process but final decision is with the Executive Director.
<b>\$100,000 or more</b>	Open competitive bid	Board of Directors
<b>Consulting Services</b>		
<b>Total Procurement Value</b>	<b>Means of Procurement</b>	<b>Approval Authority</b>
<b>\$0 up to but not including \$100,000</b>	Invitational or open competitive process	Executive Director
<b>\$100,000 or more</b>	Open competitive process	Board of Directors

***All onetime/yearend surplus purchases are through the approval of Senior Management. Finance dept. will notify supervisors as to why items are approved or denied. Supervisors are expected to note items that were refused on a basis other then financial to ensure the item is discussed at their team and a repeat request is not submitted in the future.***

## Segregation of Duties

YSSN must separate three of the five functional procurement roles:

Requisition, Budgeting, Commitment, Receipt and Payment. Responsibilities for these roles must lie with different departments or personnel. Where it is not possible to segregate these roles adequate compensating controls approved by an external auditor must be in place.

*York Support will not reduce the overall value of procurement (eg dividing a single procurement into multiple steps) in order to circumvent the approval requirements.*

<b>Goods, Non Consulting Services and Construction – Segregation of Duties</b>					
<b>Type and Value of Procurement</b>	<b>Requisition</b>	<b>Budgeting</b>	<b>Commitment</b>	<b>Receipt</b>	<b>Payment</b>
Supplies \$0-\$500	All Staff	Finance Manager through policies	Admin staff responsible for supply budget	Reception or Local office Admin	Finance Clerk
Supplies \$501-\$10,000	Supervisor/ Manager	Finance Mgr monitored by Office Manager	Finance Manager	Reception or Local office admin	Finance Clerk Authorization from Finance Manager
Supplies \$10,001 to \$25,000	Supervisor/ Manager	Finance Manager	Senior Mgmt Exec. Dir final authority	Local Office Reception	Finance Clerk Authorization from Finance Manager
Supplies \$25,000 to \$99,999	Supervisor/ Manager	Finance Manager	Senior Mgmt Exec. Dir final authority	Local Office Admin	Finance Clerk Authorization from Board of Directors
Training	Supervisor/ Manager	Finance Manager monitored by Program Supervisor (1 per Ministry)	staff training Supervisors, Global training Senior Mgmt	Staff designated for training.	Finance Clerk with prior approval as per agency policy.
IT Goods \$0 - \$1,001	All staff	Finance Manager budgets monthly limit	System Administrator	Local admin staff	Finance Clerk Authorization from Finance Manager
IT Goods \$1,001 up to \$10,000	Supervisor/ Manager/ Systems Administrator	Finance Manager	Finance Manager or Executive Director	System Administrator	Finance Clerk Authorization from Finance Manager
IT Goods \$10,001 up to \$99,000	Program Manager/ Systems Administrator	Finance Manager	Senior Mgmt Executive Dir. Final Authority	System Admin or Dept Lead	Finance Clerk Authorization from Finance Mgr or Board as per policy
Supplies \$100,000 over	Executive Director	Finance Manager	Board of Directors	Finance Manager	Finance Clerk Authorization Board of Directors

Construction and Renovations					
Type and Value of Procurement	Requisition	Budgeting	Commitment	Receipt	Payment
Construction and Renovations under \$100,000	Senior Management	Finance Manager	Executive Director	Facilities Dept.	Finance Clerk authorization from Finance Mgr. or Board based on policy
Construction and Renovations \$100,000 or more	Executive Director	Finance Manager	Board of Directors	Facilities Dept.	Finance Clerk Authorizaton from Board of Directors.
CONSULTING SERVICES					
Type and Value of Procurement	Requisition	Budgeting	Commitment	Receipt	Payment
<b>\$0 up to but not including \$100,000</b>	Supervisor/ Manager	Finance Manager	Executive Dir.	Program Supervisor Manager	Finance Clerk authorization from Finance Mgr. or Board based on policy
<b>\$100,000 or more</b>	Executive Director	Finance Manager	Board of Directors	Senior Manager	Finance Clerk Authorizaton from Board of Directors.

### ***Information Gathering***

Where results of informal suppliers or product research are insufficient, York Support Services can request information or an expression of interest with regards to purchasing goods.

A response to either of these requests will not be used to pre-qualify a potential supplier.

When York Support Services obtains the name of a supplier from the Ministry Vendors on Record (VOR) it will be assumed that the processes of obtaining supplier information has been done by the Ministry and absolves York Support from researching the supplier.

### ***Supplier Pre- Qualification***

York Support Services will gather information about suppliers capabilities and qualifications using a Request for Supplier Qualification template (RSO) in order to pre-qualify suppliers for an immediate produce need or in advance of future competitions.

When York Support Services obtains their supplier from the Ministry VOR it will assume that they pre qualify and not fill out an RSO.

## **Process For Competitive Procurements**

York Support will conduct the competitive procurement activities according to the laws of Ontario, including contract law, the law of competitive processes, privacy legislation, accessibility legislation and any other legislation as may be applicable.

### ***Posting and Timelines for Competitive Procurements***

Any competition that is required under \$100,000 will be posted on York Support Services website. Anything above \$100,000 will also be posted in the local newspaper.

Suppliers shall be given up to 15 calendar days for a response. In cases where the procurement is of a high complexity, risk and/or over \$100,000 the time limit will be extended up to 30 days.

Bid submission date and closing time must be clearly stated in the competitive process. Closing date must be on a normal working day (Mon to Fri). Any submission delivered after closing time will be returned unopened.

### ***Evaluation Criteria***

To ensure fairness within our Competitive procurement process York Support Services will develop, review and approve the evaluation Criteria at Senior Management prior to commencement of the competitive procurement process. Each piece of the evaluation criteria will also be fairly weighted prior and clearly documented in the competitive procurement documents. The documents will also fully disclose the methodology and process to assessing submissions, including the process to resolve tie scores.

Mandatory criteria should be kept to a minimum to ensure that no bid is unnecessarily disqualified.

The maximum justifiable weighting will be allocated to the price/cost component.

All criteria must comply with the section below entitled Non Discrimination. Alternate strategies or solutions will not be considered unless they are requested in the competitive procurement process.

### ***The Evaluation Team***

The evaluation team for competitive bids up to \$100,000 will be the Senior Management. A supervisor or staff who is familiar with the required service may be invited to join the team during evaluations that are unfamiliar to the Senior Management. For bids over \$100,000 it will be the Executive Director and the Board of Directors. Team members must be aware of the confidentiality of this process and will not engage in activities that will create or appear to create a conflict of interest. Team members must sign a non disclosure of confidential information agreement as well as a conflict of interest declaration.

A team member cannot participate in the evaluation process if a supplier is a family member or a personal friend or if they profit or are seen to profit from the purchasing of the goods or service. They must declare a conflict of interest and must withdraw from the evaluation team during the evaluation that puts them in conflict. A substitute team member must be found.

Each team member will complete an evaluation form, rating each of the submissions. These must be kept for audit purposes. What is written must be fair, factual and fully defensible.

### ***The Winning Bid***

The submission that receives the highest evaluation score and meets all mandatory requirements must be declared the winning bid. For procurements over \$100,000 York Support will post the name of the successful supplier, agreement start and end date and any extension options on the website and in the local newspaper. This would be done after the contract is executed.

For competitions for procurement over \$100,000 York Support will notify unsuccessful candidates about their entitlement to a debriefing and will allow 60 days for an unsuccessful candidate to determine if they wish a debriefing.

### ***Non Discrimination***

York Support will not discriminate or exercise preferential treatment and will follow the Competitive procurement process.

### ***Executing the contract***

York Support and the supplier will enter into a signed written contract that defines the required services or goods prior to commencement of the purchase. The Purchase of Service contract



must include the form of agreement that was released with the procurement process. In the case where a Purchase of Service agreement is not used there must be some type of signed contract that defines the goods being purchased prior to commencement. All contracts should have an appropriate termination or cancellation clause agreed upon by both parties. Should the contract require modification at a later date the Executive Director must approve the modification for contracts under \$100,000. Contracts over \$100,000 can only be modified by the Board of Directors. Should the price/cost change then the evaluation team is required to review and ensure it does not warrant a new competitive process.

### ***Contract Management***

Procurements and the resulting contracts will be managed responsibly and effectively. Please refer to our financial policies and procedures regarding payment processes to determine the required documentation needed to request payment.

Assignments must be documented and supplier performance must be managed and documented with any performance issues being addressed immediately.

Included in the contract should be a dispute resolution process.

For service contracts there should be;

- clear terms of reference and should include objectives, background, scope, constraints, YSSN responsibilities, Service provider responsibilities, tangible deliverables, timelines, progress reporting, approval process and knowledge transfer requirements.
- Expense claim process established that adheres to York Support Services expense policies and only if the contract explicitly provides for reimbursement of expenses.

### ***Procurement Retention***

The competitive procurement documents and all relevant documentation pertaining to the procurement must be kept for seven years.

## **Conflict of Interest**

Any conflict of interest will be monitored that may involve York Support staff, advisors, external consultants or service providers. Anyone aware of a conflict of interest must disclose the actual or potential conflict and where possible proceed to withdraw from any activity that causes the conflict.