

# Procurement Policies-Goods and Services (FIN 0)

Version: 3

<b>Document Owner: Sandy McClymont (Manager)</b>	Policy Number	<b>FIN 0</b>
	Date Created	<b>02/02/2017</b>
<b>Category: Finance</b>	Compliance	<a href="#">Click here to enter text.</a>
Approver(s): Sandy McClymont (Manager)	Date Approved	<b>02/11/2020</b>

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## A. Purpose and Background

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.

## B. Scope

This policy is for all staff requesting a purchase.

## C. Definitions

### 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. Examples may include “consultants” such as property brokers, headhunters or trainers.
6. *Formal Invitational competitive Procurement process* –Minimum 3 bidders are invited to quote on the purchasing of goods or services. The process must follow the steps laid out in the Ministry directive. Can be found in Procurement Policies and Procedures – Competitive Procurements (Fin00)
7. *Open competitive Procurement process* must be posted and open to public competition. The process must follow the Ministry Directive process found in the Procurement Policies and Procedures – Competitive Procurements (Fin00)
8. *Simple Procurement* is a procurement process. This is to be used for any purchases \$5,000 to \$25,000, requiring minimum 3 quotes and a description of services. Decisions are made by Manager/Director requesting the purchase.
9. *Formal Procurement* is a competitive procurement process. Depending on the amount of request can be Formal Invitational or Open Competitive Procurement Process. Purchases between \$25,000 – \$100,000 at a minimum must follow the Formal Invitational Procurement process but the Manager/Director requesting purchase can also choose to follow the Open competitive process if minimum 3 vendors for the quote cannot be found. Senior Leadership team is the Procurement Committee and can make the final decision. Purchased greater than 100,000 use the Open competitive procurement process.. The Board of Directors must participate on the Procurement Committee. Final decision is the Board of Directors.

**D. Policy**

1. York Support conducts all 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.
2. The Senior Leadership Team will function as the Review Committee for all formal procurements. Up to \$100,000. Anything over \$100,000 the Board of Directors acts as the Review Committee and decision makers.

3. The Segregation of Duties table below must be followed when requesting purchases and approving them.
4. Any conflict of interest that may involve York Support staff, advisors, external consultants or service providers will be monitored. 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.
5. Procurement documents and all relevant documentation pertaining to the procurement will be kept for seven years.
6. All onetime/yearend surplus purchases are approved by the Senior Leadership Team. 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 than financial to ensure the item is discussed at their team and a repeat request is not submitted in the future.
7. All purchases made must follow the Approval Authority Schedule (AAS) and the segregation of duties tables laid out below in the Procedure section.

**E. 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	Director of Finance and Operations
<b>\$5,001 up to \$10,000</b>	Simple Procurement (minimum 3 suppliers are invited to submit a bid)	Director of Finance and Operations for ongoing items but with Executive Director for unique items.
<b>\$10,000 up to \$25,000</b>	Simple Procurement (minimum 3 suppliers are invited to submit a bid)	A Manager/Director
<b>\$25,000 up to \$100,000</b>	Formal Procurement either Invitational or open (minimum 3 suppliers are invited to submit a bid)	Senior Leadership Team will follow procurement process but final decision is with the Executive Director.

\$100,000 or more	Competitive process	Board of Directors
<b>Consulting Services</b>		
<b>Total Procurement Value</b>	<b>Means of Procurement</b>	<b>Approval Authority</b>
\$0 up to \$25,000	Simple Procurement (minimum 3 suppliers are invited to submit a bid)	A Manager/Director
\$25,000 up to \$100,000	Formal Procurement either formal Invitational or Open competitive process (minimum 3 consultant bids)	Senior Leadership Team will follow procurement process but final decision is with the Executive Director.
\$100,000 or more	Open Competitive process	Board of Directors

*All onetime/yearend surplus purchases are through the approval of Senior Leadership Team. 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 than 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 (e.g. Dividing a single procurement into multiple steps) in order to circumvent the approval requirements.*

Goods, Non Consulting Services and Construction – Segregation of Duties					
Type/Value of Procurement	Requisition	Budgeting	Commitment & Approval Authority	Receipt	Payment
Supplies \$0-\$500	All Staff	Director of Finance and Operations through policies	Admin staff responsible for supply budget	Reception or Local office Admin	Finance Clerk
Supplies \$501-\$10,000	Supervisor/ Manager	Director of Finance and Operations	Office Manager	Reception or Local office admin	Finance Clerk Authorization from Account Manager-payables
Supplies \$10,001 to	Supervisor/ Manager	Director of Finance and	Manager or Director	Local Office Reception	Finance Clerk Authorization

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\$25,000		Operations	leading purchase after sign off from SLT		from Manager or Director requesting Purchase
<b>Type/Value of Procurement</b>	<b>Requisition</b>	<b>Budgeting</b>	<b>Commitment &amp; Approval Authority</b>	<b>Receipt</b>	<b>Payment</b>
Supplies \$25,000 to \$99,999	Supervisor/ Manager	Director of Finance and Operations	Senior Leadership Team Exec. Dir final authority	Local Office Admin	Finance Clerk Authorization from Board of Directors
Training	Supervisor/ Manager	Director of Finance and Operations monitored by Program Supervisor (1 per Ministry)	Staff training Supervisors, Global training Leadership Team	Staff designated for training.	Finance Clerk with prior approval as per agency policy.
IT Goods \$0 - \$1,001	All staff	Director of Finance and Operations budgets monthly limit	System Administrator	Local admin staff	Finance Clerk Authorization from Finance Supervisor
IT Goods \$1,001 up to \$10,000	Supervisor, Manager or Systems Administrator	Director of Finance and Operations	Director of Finance and Operations or Executive Director	System Administrator	Finance Clerk Authorization from Finance Supervisor
IT Goods \$10,001 up to \$99,000	Member of the Senior Leadership Team	Director of Finance and operations	Senior Leadership Team. Final Authority Executive Director	System Admin or Dept. Lead	Finance Clerk Authorization from Director of Finance and Operations or Board as per policy
Supplies \$100,000 over	Executive Director	Director of Finance and Operations	Board of Directors	Director of Finance and Operations	Finance Clerk Authorization Board of Directors

<b>Construction and Renovations</b>					
<b>Type/Value of Procurement</b>	<b>Requisition</b>	<b>Budgeting</b>	<b>Commitment</b>	<b>Receipt</b>	<b>Payment</b>
Construction & Renovations under \$100,000	Senior Leadership Team	Director of Finance and Operations	Senior Leadership Team. Final Authority Executive Director	Facilities Dept.	Finance Clerk authorization from Director of Finance and Operations. or Board based on policy
Construction & Renovations \$100,000 or more	Executive Director	Director of Finance and Operations Manager	Board of Directors	Facilities Dept.	Finance Clerk Authorization from Board of Directors.
<b>CONSULTING SERVICES</b>					
<b>Type/Value of Procurement</b>	<b>Requisition</b>	<b>Budgeting</b>	<b>Commitment</b>	<b>Receipt</b>	<b>Payment</b>
<b>\$0 up to \$25,000</b>	Supervisor/ Manager	Director of Finance and Operations Manager	Executive Dir.	Supervisor/ Manager	Finance Clerk authorization from Finance Mgr. or Board based on policy
<b>\$25,000 up to \$100,000</b>					
<b>\$100,000 or more</b>	Executive Director	Director of Finance and Operations Manager	Board of Directors	Member of the Senior Leadership Team	Finance Clerk Authorization from Board of Directors.

**F. Responsibilities**

As a purchasing function, overall responsibility for Procurement rests with the Finance Department. Finance must ensure that the following process is followed and no purchases are made that does not follow the process laid out above for under \$25,000.

Responsibility for the decision making process of procurement over \$25,000 lies with the Senior Leadership team as the Procurement team.

The responsibility for the steps of procurement process is laid out below;

- Creating the Business Case for Procurement, for consideration by Senior Leadership, is to be completed by the Manager/Director making the request.

- Posting the Procurement opportunities on the appropriate website by the Office Manager
- Overall management of submissions, including a Q&A process for all interested vendors by the Manager/Director making the request.
- Logging receipt of submissions by Reception staff.
- Screening pre-qualification of submissions as required by the Manager/Director making the request.
- Circulation of materials to Review Committee, prior to the review meeting by the Manager/Director making the request.
- Messaging of final results, including notification to Vendors by the Manager/Director making the request.
- Maintaining documentation of the review of submissions. The Manager/Director who made the request and has all the documentation will upload the complete package including the final decision into Senior Management Procurement folder. Any hard copies will be given to the Office Manager to be put into the Corporate file.

### References

<https://www.doingbusiness.mgs.gov.on.ca/mbs/psb/psb.nsf/EN/bps-procurementdirective>

### Related Documents

# Procurement Policies and Procedures - Competitive Procurements (FIN 00)

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<b>Document Owner: Sandy McClymont (Manager)</b>	Policy Number	<b>FIN 00</b>
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As part of this requirement there are 25 Mandatory Requirements YSSN must follow when purchasing Goods and Services.

## B. Scope

Staff designated as the lead for procurement process

## C. Definitions

### 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.
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### D. Procedure(s)

Both the Simple Procurement process and the Formal Procurement Process must follow the 25 Mandatory requirements established by the Ministry.

Mandatory requirements #1 to #3 are part of Procurement Policies – Goods & Services (FIN 0) Whoever is leading the procurement process must ensure that they have reviewed and followed the following;

- Segregation of Duties
- Approval Authority

#### ***Development of Business Case, rationale for request***

Upon establishing the need for goods or services, the department Manager or Director will establish a rationale or Business case for review and approval at the Senior Leadership Team. Information gathering on potential suppliers or products will be part of this process. The request will include the good/service/consultation needed, the desired specifications/ qualifications, the weighted review criteria, and the budget. (Please see Template...)

#### ***Approval from Senior Leadership Team***

The Senior Leadership team will review the request, determine whether the correct process is being applied, provide content feedback, determine whether the request fits within agency priorities, whether the appropriate funds are available and whether funder/sponsor pre-

approval is required. The SLT provides approval, which is finalized by the Executive Director.

***Information Gathering – Determination of Suppliers (Mandatory 4&5)***

Where there is insufficient information an Expression of Interest process may precede the finalization of the Business Plan prior to submission for bids.

In an Expression of Interest 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 product need or in advance of future competitions. A response to this request will not be used to pre-qualify a potential supplier. It can be used for to establish the final procurement posting will be established and who YSSN will invite to bid when performing a Simple Procurement or Formal Invitational Competitive Procurement.

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.

***Posting, Timelines and bid receipt (mandatory 6,7&8)***

A procurement posting will be developed based on the Business Case approval. The posting will include a description of the needed goods/services/consultation, along with the review methodology and the evaluation criteria and the weighting. Mandatory criteria will be kept to a minimum to ensure that no bid is unnecessarily disqualified The maximum weighting will be allocated to the cost/price component. The description will also include the process to resolve tie scores.

For Simple Procurement Process any competition that is required over \$10,000 but under \$25,000 may be by invitation only provided a minimum of 3 quotes are received.

Any competition that is required over \$25,000 but under \$100,000 May also be by invitation if sufficient bids will be received (minimum 3) but it also can be posted on the Agency website and Ministry designated website for open competition.

Anything above \$100,000 must be a Formal Open Competitive Procurement process and will be posted in the local newspaper, Agency website and Ministry designated website.

In Simple Procurement process suppliers will be given sufficient time to respond to an invitation for quote. For Formal Procurement process Suppliers shall be given up to 21 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 between 21 calendar days 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 (mandatory 9&12)***

The evaluation for competitive bids will be conducted by the Evaluation Team described below. All purchases should include a minimum of 3 quotes. 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 Leadership Team. Team members are 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 will sign a non disclosure of confidential information agreement as well as a conflict of interest declaration.

Each team member will complete an evaluation form, rating each of the submissions. These will be kept for audit purposes. Please see template... The completed forms, along with a single copy of each submission will be kept in the central Procurement file..

***The Evaluation Team (Mandatory 11)***

The evaluation for competitive bids \$10,000 up to \$25,000 will be a member of the Senior Leadership Team who must obtain a minimum of 3 quotes. \$25,000 to \$100,000 will be the Senior Leadership Team. For bids over \$100,000 it will be the Executive Director and the Board of Directors.

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.

***Determination of the Winning Bid (Mandatory ,13&14,15,20)***

The submission that receives the highest evaluation score and meets all mandatory requirements must be declared the winning bid. The winning bid is not necessarily the bid with the lowest cost, but rather the bid with the highest overall score.

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 will 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.

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

***Executing the contract (mandatory16-19)***

York Support Services Network and the supplier will enter into a signed written contract that defines the required services or goods prior to commencement of the purchase. Where a Purchase of Service Contract is used, the contract will include objectives, background, scope,

constraints, YSSN responsibilities, Service provider responsibilities, tangible deliverables, timelines, progress reporting, approval process and knowledge transfer requirements. It should also include an expense claim process that adheres to York Support Services expense policies, if the contract explicitly provides for reimbursement of expenses. The contract must also include a dispute resolution process.

In the case where a Purchase of Service agreement is not used there must be a signed contract that defines the goods being purchased prior to commencement.

All contracts will have an appropriate termination or cancellation clause agreed upon by both parties. Should the contract require modification at a later date the Executive Director will 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 (mandatory 22)***

Procurements and the resulting contracts will be managed responsibly and effectively. The Director or Manager who submitted the Business Case will be responsible for management of the contract. This includes ensuring that timelines are met, deliverables are realized, and that the procurement budget is not exceeded. Payment processes will follow existing Finance Policies.

Included in the contract should be a dispute resolution process. Supplier performance will be managed and documented with any performance issues being addressed immediately.

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.
- Third Party agreements for any technology request must meet the criteria laid out in the Privacy policy.
- Confidentiality forms should be signed if service provider is given access to confidential data.

### ***Procurement Retention (Mandatory 23)***

The competitive procurement documents and all relevant documentation pertaining to the procurement must be kept for seven years. It will be stored in the Senior Management file and hard copies will be stored in the Corporate file.

***Conflict of Interest (Mandatory 24)***

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.

***Bid Dispute Resolution (Mandatory 25)***

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

**E. Responsibilities**

For Simple Procurement the lead Senior Director/Manager or the purchase is responsible that steps 1 thru 25 are still met. Senior leadership team does not have to approve the criteria set up for proposal the lead Director/Manager does.

For all Formal p\Procurement it is the Senior Leadership Team that must ensure the step 1-25 are followed for up to 100,000 and the Board of Directors over 100,000. The Lead Manager/Director must create the business plan and recommended Criteria to bring to the Procurement team as a recommendation but the team must authorize the established proposal, create the evaluation Criteria and do the evaluation (1-15). Once approved, the lead Director/Manager informs the bidders of results, deals with bid disputes sand completes the Contract steps and procurement retention (16-25)

F. <https://www.doingbusiness.mgs.gov.on.ca/mbs/psb/psb.nsf/EN/bps-procurementdirective>

**G. Related Documents**