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## A. Purpose and Background

This procurement standard ensures that publicly funded goods and services, including construction, consulting services and information technology, are acquired through an open, fair, and transparent process.

**The standard is based on principles below:**

### **Accountability**

Organizations must be accountable for the results of their procurement decisions and the appropriateness of the processes.

### **Transparency**

Organizations must be transparent to all vendors. Wherever possible, vendors must have equal access to information on procurement opportunities, processes, and results.

### **Value for Money**

Organizations must maximize the value they receive 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 organizations 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.

## **Ontario Broader Public Sector (BPS) Supply Chain Code of Ethics**

### **Personal Integrity and Professionalism**

Individuals involved with supply chain 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 vendors. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. Participants must 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.

### **Accountability and Transparency**

Supply chain activities must be open and accountable. Purchasing and contracting 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.

### **Compliance and Continuous Improvement**

Individuals involved with purchasing or other Supply Chain Activities must comply with this Code of Ethics and the laws of Canada and Ontario. 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.

## **B. Scope and Usage**

- a) This policy applies to Board Members, Management, employees, students, and volunteers of the Agency.
- b) This standard applies to all goods, construction, and services, including, but not limited to, IT and Consulting services acquired by YSSN.

## **C. Application**

### **Approval Authority Schedule for all Procurement Activities**

YSSN has an Approval authority Schedule (AAS) established for procurement that identifies authorities allowed to approve procurements for different dollar thresholds. The Approval Authority Schedule is approved by the YSSN Board of Directors.

<b>Goods, Non-Consulting Services and Construction Total Procurement Value</b>	<b>Means of Procurement</b>	<b>Process &amp; Response Method</b>	<b>Approval authority</b>
\$0 up to but not including \$1000	Petty cash, Credit card, P-card, Invoice, Purchase order	Informal, can be verbal or written	Supervisors
\$1000 up to \$10,000	Credit card, P-card, Invoice, Purchase order	3 quotes (can be informal, from websites, etc.) written or 1 quote from the Government vendor of record list	Managers
\$10, 000 up to \$50,000	Purchase order, Invoice, invitational quotes	3 invitational quotes, written (using Vendor of Record whenever possible)	Directors
\$50,000 up to but not including \$121,200	Invitational competitive procurement	Invitational procurement (minimum of three suppliers are invited to submit a proposal) – RFP	Executive Director
\$121,200 or more	Open competitive process	RFP posted on approved sites, (can also include invitations to submit)	Board of Directors

<b>Consulting Services Procurement Method</b>	<b>Procurement Value and method</b>	<b>Approval Authority</b>
Invitational Competitive	\$0 up to but not including \$50 000 – quotes from three invited suppliers (using Vendor of Record whenever possible)- RFQ	YSSN’s AAS for goods and non-consulting services
	\$50, 000 up to but not including \$121,200 – (minimum of three suppliers are invited to submit a proposal) – RFP	Executive Director
Open Competitive	Any value – RFQ or RFP based on thresholds above	YSSN’s AAS for goods and non-consulting services
Non-competitive	\$0 up to but not including \$121,200	Executive Director
Non-competitive	\$121,200 or more	Board of Directors

The total value of procurement includes the cost of freight and installation, but not taxes. For multi-year procurements, the calculation will be based on the total projected value for the entire period of the anticipated agreement including renewal options; multiple purchases will not be used to circumvent competitive procurements.

## D. Exemptions and Exceptions

A competitive procurement process helps to achieve optimum value for money. It is recognized that certain circumstances and activities may require the agency to use non-competitive procurement. The circumstances and activities excluded from the competitive procurement requirements of this policy are noted below. These exceptions are consistent with the Agreement on Internal Trade (AIT) or other trade agreements.

Where the Agency has relied on an exception or exemption to this standard, the rationale for the exception or exemption will be formally documented.

Exemptions and exceptions relate to the procurement of the goods or services only. All other requirements of this policy apply, including documentation, contract management, supplier management etc.

The requirement for competitive bid solicitation for the procurement of goods and services may be waived under the authority of the Executive Director or the Director of Finance and Operations under the following circumstances:

### **Single Source Supply**

Where only one supplier is available to meet the requirements of the Agency procurement including the following circumstances:

- a) To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licenses, copyright, and patent rights, or to maintain specialized products that will be maintained by the manufacturer or its representative;
- b) Exemption for existing vendors (e.g. Software) where procurement would cause significant duplication of costs for the Agency (as specified in the CFTA)
- c) Where there is an absence of competition where the goods or services can be supplied only by a particular supplier and no alternative or substitute exists;
- d) For work to be performed on behalf of the Agency through a building lease agreement where the lessor will invoice costs back to the lessee;
- e) For work to be performed according to provisions of a warranty or guarantee held in respect of the original work;
- f) For the procurement of a prototype or a first good or service to be developed that may be needed for research purposes, a particular study, or other original purposes;
- g) For the purchase of goods under duress such as bankruptcy or receivership, where the agency has clearly documented the advantageous value that would be received;

- h) For the procurement of real property.

### **Limiting Circumstances**

Circumstances may exist where inherent factors limit the procurement process that can be undertaken. Under limiting circumstances, the Agency can deviate from competitive procurement requirements if it does not do so to avoid competition between suppliers or to discriminate against suppliers. Limiting circumstance may include:

- a) Where goods or consulting 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 confidentially, cause economic disruption or otherwise be contrary to the public interest;
- b) Where compliance with open tendering provisions would interfere with the Agency's ability to maintain security or order;
- c) In the absence of a receipt of any bids in response to a call for tenders made in accordance with the directive.

### **Emergency Situations**

For this standard, an "Emergency" means a situation where the immediate purchase of goods and services is essential to prevent serious delays in service delivery or to prevent or remedy damage to agency property or to restore an essential service.

An "Emergency" includes an imminent or actual danger to the life, health, or safety of an official or an employee while acting on the agency's behalf (e.g. emergency heat repairs or replacement), an imminent or actual danger of injury to or destruction of real or personal property belonging to the agency.

Under emergency circumstances, the Executive Director has the authority to take the necessary steps to address the emergency and will subsequently inform the Board of Directors of the actions taken setting out the details of any purchases made pursuant to this authority and the circumstances justifying the action taken.

### **Licensed Professional and Specific Services for Service Recipients**

Services from licensed professionals including medical doctors, nurses psychiatrists, psychologists, and lawyers, as well as per diem expenditures including reimbursable expenses paid to Fund Administrators, Outside Paid Resources and support services that are brokered by the agency are exempted from a procurement process. This includes:

- a) Individual Support Plan expenditures including one on one support services, day services, outside paid resources, etc.
- b) Legal, medical, psychological, or psychiatric consultations supporting the service delivery and operations of the organization.

### **Conflict of Interest**

The Agency will monitor any conflict of interest (COI) that may arise from any employee or other organization member, advisor, supplier, or other stakeholder’s involvement with supply chain activities. Individuals involved with supply chain activities will declare actual or potential conflicts of interest. Where a conflict arises, it will be evaluated by the Senior Leadership Team and/or the Board of Directors and appropriate mitigating action taken.

## **E. Related Documents**

- a) [Procurement Procedure Link](#)
- b) [Procurement Quotes Template Link](#)

## **F. Key Definitions**

**“Agreement”** means the formal written document that will be entered into at the end of the procurement process.

**“Approval Authority”** means the authority delegated by the Organization to a person designated to occupy a position to approve on its behalf one or more procurement functions within the plan-to- pay cycle up to specified dollar limits subject to the applicable legislation, regulations and procedures in effect at such time.

**“Award”** means the notification to a proponent of acceptance of a proposal, quotation or tender that brings a contract into existence.

**“Best value”** means the optimal balance of performance and cost determined in accordance with a pre-defined evaluation plan; best value may include a time horizon that reflects the overall life cycle of a given asset. **“Bid”** means 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 Proposal, Request for Tender and Request for Quotation.

**“Bid Protest”** means a dispute raised against the methods employed or decisions made by a contracting authority in the administration of a proposal, tender, or quotation process.

**“Competitive Procurement”** means 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”** means 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.

**“Construction”** means 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.

**“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.

**“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.

**“Designated Broader Public Sector Organization”** means an Organization to which section 12 of the *Broader Public Sector Accountability Act, 2010* applies.

**“Electronic Tendering System”** means a computer-based system that provides suppliers with access to information related to open competitive procurements.

**“Evaluation Criteria”** means 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”** means a tool allowing the evaluation team to rate supplier proposals based on multiple pre-defined evaluation criteria.

**“Evaluation Team”** means a group of individuals designated/responsible to make award recommendation. The evaluation team would typically include representatives from the Organization and subject matter expert(s). Each member participates to provide business, legal, technical and financial input.

**“Goods”** means 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.

**“Information Technology”** means the equipment, software, services and processes used to create, store, process, communicate and manage information.

**“Invitational Competitive Procurement”** means any form of requesting a minimum of three (3) qualified suppliers to submit a written proposal in response to the defined requirements outlined by an individual/organization.

**“Non-discrimination”** means fairness in treating suppliers and awarding contracts without prejudice, discrimination or preferred treatment.

**“Offer”** means 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.

**“Procurement”** means acquisition by any means, including by purchase, rental, lease or conditional sale, of goods or services.

**“Procurement Card (P-Card)”** means an organizational credit card program primarily used for low- cost, non-inventory, non-capital items, such as office supplies. The card allows procurement or field employees to obtain goods and services without going through the requisition and authorization procedure. P-cards may be set up to restrict use to specific purchases with pre-defined suppliers or stores and offer central billings.

**“Procurement Value”** means the estimated total financial commitment resulting from procurement, taking into account optional extensions.

**“Professional service supplier”** means a supplier of services requiring professional skills for a defined service requirement including: Lawyers, Psychologists, management and financial consultants; and firms or individuals having specialized competence in planning or other disciplines.

**“Purchase Order (PO)”** means a written offer made by a purchaser to a supplier formally stating the terms and conditions of a proposed transaction.

**“Request for Proposal (RFP)”** means 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)”** means 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. Organizations will ensure that the terms and conditions built into the RFSQ contain specific language that disclaims any obligation on the part of the Organization to call on any supplier to provide goods or services as a result of the pre-qualification.



**“Requisition”** means a formal request to obtain goods or services made within an Organization, generally from the end-user to the procurement department.

**“Sealed bid”** means a formal sealed response received as a part of a quotation, tender or proposal.

**“Segregation of Duties”** means 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.

**“Supplier/Vendor”** means 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 procurement.

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

**“Trade Agreements”** means any applicable trade agreement to which Ontario is a signatory.

**“Supplier Debriefing”** means a practice of informing a supplier why their bid was not selected upon completion of the contract award process.

**“Vendor of Record” (VOR)** is a procurement arrangement resulting from a fair, open, transparent and competitive process that authorizes one or more qualified vendors to offer specific goods or services for a defined period of time on terms and conditions, including pricing and/or discounting, as set out in a particular VOR agreement.

## G. History Tracking Chart

This section contains historical records of the changes that have occurred to the policy. It allows for a comprehensive record of reviews, changes, and additions that have occurred to lead to the current version.

History of Policy Changes, Edits, and Additions			
Date	Review, Additions, Edits ...	Reasoning	Contributors

History of Yearly Reviews with no changes			
Date	Approver Name	Date	Approver Name