

CLGS – Procurement Policy

Ver. 2.0 Revised – 2019-11

1. Introduction:

- a. Community Living Greater Sudbury (CLGS) is designated as a Broader Public Sector organization and, as such, is required to comply with the Broader Public Sector Accountability Act (BPSAA, 2010) and related Directives.
- b. CLGS adopts the following Policy Statements with the intent and belief that such constitute compliance with such requirements.
- c. CLGS is committed to amendment of its policies, procedures and processes to address ambiguities and inconsistencies. Accordingly, where the following is considered to be ambiguous or inconsistent with other CLGS Policy Statements, staff are expected and required to bring such issues to the attention of management in writing at the earliest opportunity.

Commentary:

The BPS Directives are based on 5 key principles designed to allow organizations to achieve value for money while following a procurement process that is fair and transparent to all stakeholders:

1. **Accountability:** Organizations must be accountable for the results of their procurement decisions and the appropriateness of the processes.
2. **Transparency:** Organizations must be transparent to all stakeholders. Wherever possible, stakeholders must have equal access to information on procurement opportunities, processes and results.
3. **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 life cycle cost.
4. **Quality Service Delivery:** Front-line services provided by Organizations, such as client care, must receive the right product, at the right time, in the right place.
5. **Process Standardization:** Standardized processes remove inefficiencies and create a level playing field.

2. Purpose:

- a. To ensure that publicly funded goods and services, including construction, consulting services and information technology, are acquired by CLGS through a process that is open, fair and transparent;
- b. To outline responsibilities with respect to the procurement process;
- c. To ensure that the procurement process is managed consistently.

3. Policy Statement: It is the policy of CLGS that:

- a. All CLGS procurement will be conducted in accordance with the Ontario:
 - i. Broader Public Sector Accountability Act (BPSAA, 2010),

- ii. Broader Public Sector (BPS) Procurement Directive, 2011, and
 - iii. Broader Public Sector [BPS] Supply Chain Code of Ethics as set out in Schedule A, which CLGS hereby formally adopts;
 - iv. BPS Expenses, Perquisites, and Business Documents Directives.
- b. The Executive Director is responsible for the development, implementation and management of the CLGS procurement functions consistent with this Policy including:
- i. The procurement, recording, storage and deployment of all goods, materials, furniture, equipment, supplies and services;
 - ii. The implementation and management of an effective inventory control system for the tracking of all things procured; and
 - iii. The implementation and management of an effective system to dispose of and account for obsolete or redundant equipment and furniture
 - iv. Reporting to the Board of Directors with respect to compliance with the BPS Procurement Directives.
- c. At least three of the five following functional procurement roles be segregated: Requisition, Budgeting, Commitment, Receipt and Payment. Responsibilities for these segregated roles must lie with different departments or, at a minimum, with different individuals. (see Appendix A)
- b. An approval authority schedule (AAS) for **procurement of goods and non-consulting services (see Appendix D)** that is approved by the Board of Directors. The AAS must identify, for each of the functional procurement roles, authorities that are allowed to approve procurements for different dollar thresholds. Prior to commencement, any procurement of goods and non-consulting services must be approved by an appropriate authority in accordance with CLGS' AAS.

Consulting services

Prior to commencement, any procurement of **consulting services** must be approved in accordance with the Procurement Approval Authority Schedule for Consulting Services.(see **Appendix C**)

Competitive Procurement thresholds

- c. CLGS must conduct an **open competitive** procurement process where the estimated value of procurement of goods or services is **\$100,000** or more. CLGS must competitively procure consulting services irrespective of value.
- d. CLGS must not reduce the overall value of procurement (e.g., dividing a single procurement into multiple procurements) in order to circumvent **competitive procurement** thresholds.
- e. Where results of informal supplier or product research are insufficient, formal processes such as a Request for Information (RFI) or Request for Expression of Interest (RFEI) may be used if warranted, taking into consideration the time and effort required to conduct them.
- f. The Request for Supplier Qualification (RFSQ) enables CLGS 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.
- g. Calls for **open competitive procurements** must be made through an electronic tendering system that is readily accessible by all Canadian suppliers.
- h. CLGS must provide suppliers a minimum response time of 15 calendar days for procurement of goods and services valued at \$100,000 or more.
- i. Bid submission date and closing time must be clearly stated in **competitive procurement** documents. CLGS 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 be returned unopened.

- j. Evaluation criteria must be developed, reviewed and approved by an appropriate authority prior to commencement of the **competitive procurement** process.
- k. **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.
- l. **Competitive procurement** processes require an evaluation team responsible for reviewing and rating the compliant bids – board finance committee. Evaluation team members must be made 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.
- m. 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.
- n. 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.
- o. CLGS must not discriminate or exercise preferential treatment in awarding a contract to a supplier as a result of a **competitive procurement** process.
- p. The agreement between CLGS 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 CLGS and the supplier are unable to finalize the contract as described above, an interim purchase order may be used. The justification of such decision must be documented and approved by the appropriate authority (who would this be??)
- q. 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., a form of agreement was not released with the procurement document), the agreement between CLGS and the successful supplier must be defined formally in a signed written contract before the provision of supplying goods or services commences.
- r. All contracts must include appropriate cancellation or termination clauses. When conducting complex procurements, CLGS will consider, if appropriate, the use of contract clauses that permit cancellation or termination at critical project life-cycle stages.
- s. 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.
- t. For procurements valued at \$100,000 or more, CLGS must post, in the same manner as the procurement documents were posted, contract award notification. The notification must be posted after the agreement between the successful supplier and the Organization was executed. Contract award notification must list the name of the successful supplier, agreement start and end dates, and any extension options.
- u. For procurements valued at \$100,000 or more, Organizations must inform all unsuccessful suppliers about their entitlement to a debriefing. Organizations must allow unsuccessful suppliers 60 calendar days following the date of the contract award notification to request a debriefing.

Non-Competitive Procurement

- (i) Organizations should employ a competitive procurement process to achieve optimum value for money. It is recognized, however, that special circumstances may require Organizations to use non-competitive procurement.
- (ii) Organizations 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 an appropriate authority within the Organization. ~~(ii) School boards may utilize a non-competitive procurement process for the procurement of student home to school transportation services for the period July 1, 2011 to December 31, 2011.~~

w. 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 overpayments 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, Organizations should include a dispute resolution process in their contracts. For services, organizations 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 Broader Public Sector Expenses Directive¹ 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.

x. Procurement Records Retention

For reporting and auditing purposes, all procurement documentation, as well as any other pertinent information must be retained in a recoverable form for a period of seven years. Organizations must have a written policy for handling, storing and maintaining the suppliers' confidential and commercially sensitive information.

y. Conflict of Interest

Organizations must monitor any conflict of interest that may arise as a result of the Members' of the Organization, 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.

z. 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 agreement.

Consider whether any of the above statements should be removed to the SOPs crafted under this PS in order to keep the PS simple and targeted.

4. Scope:

- a. This policy applies[subject to the excusions set out in Clause 4.b] to:
 - i. The whole of CLGS including, without limiting the generality of the foregoing:
 - (1) The Board of Directors;
 - (2) All programs;
 - (3) All management functions;
 - (4) All policies development under policy directives or regulations issued by MCSS or MCYS or other governing bodies.
- b. This policy does **NOT** apply to:
 - i. Policy directives issued by MCSS or MCYS or other governing bodies, but does apply to policies developed by CLGS under such directives.

5. Commentary:

- a. It is a generally accepted good governance principle that an organization have policies and procedures reduced to writing to guide the conduct of its operations undertaken in furtherance of its mission.
- b. In addition, the Ministry of Community and Social Services [**"MCSS"**] has published updated "Policy Directives For Service Agencies" [the **"Policy Directives"**] under the authority of the Services and Supports to Promote the Social Inclusion of Persons with Developmental Disabilities Act, 2008 which directives require that certain policies and procedures **MUST** be adopted by the organization.
- c. The Policy Directives provide an outline of the content expected in the policies and procedures, but leave the wording of such to the individual agency to craft.
- d. In accordance with the Policy Directives, CLGS has adopted this Policy Statement with the intent and belief that such constitutes compliance with the Policy Directives.
- e. Where this PS is considered to be ambiguous or inconsistent with other CLGS Policies, it is expected and required of staff that they bring such issue to the attention of management in writing at the earliest opportunity.
- f. CLGS is committed to amendment of its policies, procedures and processes to address ambiguities and inconsistencies.

6. Procedures: In order to give effect to this policy, the following Standard Operating Procedures [**"SOPs"**] will be applied:

- a. None as yet¹, but there is a recognized need to develop SOPs to address:
 - i. Language
 - ii. Acronyms: eg: When a term is first used in a document with the intent that a short form is adopted and may be substituted thereafter, the term is capitalized and then the short form is given in parenthesis and bold font to draw attention to the acronym. For example: Community Living Greater Sudbury [**"CLGS"**]
 - iii. Format of documents
 - iv. Storage of documents
 - v. Signing of documents

¹ Consider whether some of the policy statement paragraphs should really be SOPs

- 7. Definitions:** This PS will be governed by the following definitions:
- a. "CLGS" means Community Living Greater Sudbury;
 - b. "Goods and services: means any goods, construction, and services, including but not limited to IT and consulting services;
 - c. " PS" means: Policy Statement;
 - d. " SOP" means: Standard Operating Procedures;
 - e. "MCSS" means Ministry of Community and Social Services;
 - f. "MCYS" means Ministry of Children and Youth Services;
 - g. "Members of CLGS" means members of the Board of Directors, senior management personnel and generally all employees of CLGS.
 - h. "Ministry" means either MCSS or MCYS or both as the context requires;
 - i. 'Procurement' means the process of purchasing/buying an item or service that meets the needs of CLGS, at the best price, from the most responsive and responsible vendor;
 - j. "Supply Chain Activities" means all activities directly or indirectly related to CLGS' planning, sourcing, procurement, moving, and payment processes.
 - k. "Value of Procurement" means the value of such procurement net of applicable sales taxes;

8. Distribution:

- a. A copy of this Policy Statement will be made available:
 - i. on the CLGS external website;
 - ii. on the Common Share on the CLGS Server [CLGSSBS]
 - iii. in the CLGS Policies and Standard Operating Procedures Manual.

9. Revision: This PS and SOPs developed under it will be reviewed and revised:

- a. At least every 3 years

10. Revision History:

Revision	Date	Description of changes	Approved By
1.0	2013-03	Initial Version	CLGS Board
2.0	2019-11	Updated to meet MCCSS requirements	ED

Schedule A
Supply Chain Code of Ethics



In accordance with the Ontario Broader Public Sector (BPS) Procurement Directive, Community Living Greater Sudbury has adopted the Ontario Broader Public Sector Supply Chain Code of Ethics. This Code does not supersede, but rather serves to supplement the Agency's Code of Ethics, in activities related to procurement, purchasing and supply chain activities.

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

I. 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 other stakeholders. 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.

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

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.