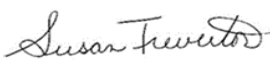


	POLICIES & PROCEDURES MANUAL
SECTION 5 – FINANCE & ADMINISTRATION POLICY #F&A-14	SUBJECT: Purchasing & Procurement of Goods & Services
APPROVED:  <hr/> Executive Director	DATE APPROVED: June 17, 2017 DATE REVISED: January 5, 2021, January 20, 2022, July 25, 2023

POLICY STATEMENT

Community Living Prince Edward is funded through MCCSS which receives funds generated by Ontario taxpayers. All purchases made will be within the general guidelines of the Ontario Broader Public Sector (BPS) Supply Chain Code of Ethics. Preference will be given to purchasing Canadian products and whenever possible in the municipality in which we live.

To specify the principles that shall govern the planning, acquisition and management of goods, services and professional consulting and the use of credit/ purchasing cards by CLPE and to specify the mandatory requirements for adherence to those principles.

Goods and services must be acquired through a competitive process that seeks to achieve the best value for the funds expended and promotes fair dealings and equitable relationships with vendors.

Responsible Management

No person acting on behalf of CLPE will artificially subdivide projects, procurements, or contracts to circumvent any requirements of this Policy.

Procurement roles will be segregated in the areas of requisition, budgeting, commitment, receipt and payment wherever possible and relative to the value.

Exemptions

Any exemptions from this Policy require prior approval of both the Executive Director and the Director of Finance and the rationale for the exemption must be clearly documented. Exemption

rationales must incorporate the principles of planning, acquiring, and managing outlined in this policy.

- ❖ All payments must be accordance with contractual provisions.
- ❖ Any overpayments must be recovered, wherever possible.
- ❖ Vendor performance must be managed and documented, and any performance issues must be resolved.
- ❖ All required approvals must be obtained for all changes in scope and terms and conditions of the agreement.
- ❖ A summary of quotes obtained must be attached to the invoice (Accounts Payable) and kept on file for 7 years.

PROCEUDRE

Purchase Authorization

The purchase request and invoice must be approved by the individual, who has authority to purchase for the budget, the expense is being charged to. The purchase request and invoice describe the goods or services being purchased and specifies the unit prices, packaging sizes, quantities, delivery date, shipping instructions and other pertinent details. It is then forwarded to the Finance Department for payment.

Program Directors/ Supervisors are responsible for deciding upon the goods or services that are required to successfully operate agency services. The final choice of vendor shall be made by the following persons:

A. Requisitioning/Purchasing Supplies/Equipment

All vendor negotiations are the responsibility of the Director - Supports and Service and Director - Finance but may be delegated to other departments.

- ❖ All items will be purchased in accordance with "*Procurement and Tender Procedures*".
- ❖ One copy of all purchases, receiving slips, supplier invoices, summary of quotes and payment receipts must be retained for a 7-year period from date of issue.
- ❖ The practice of making personal purchases for employees is not permitted.
- ❖ Vendors will be discouraged from revising bids by insistence that the best possible price be stated on the first bid. If, however, second bids are requested, all bidders will have equal opportunity.
- ❖ All vendor pricing and technical information will be treated as confidential.
- ❖ No gifts or discounts for personal benefit are to be personally accepted by Community Living Prince Edward employees from vendors.
- ❖ Any premiums, coupons, rebates, bonuses, or credits must be used for the benefit of Community Living Prince Edward.

- ❖ When price, quality, service, and delivery variables are similar, Community Living Prince Edward will give preference to local vendors.
- ❖ All payments must be accordance with contractual provisions.
- ❖ Vendor performance must be managed and documented, and any performance issues must be resolved.
- ❖ All required approvals must be obtained for all changes in scope and terms and conditions of the agreement.

B. Terms of Purchase

- ❖ It is preferred that all transactions be undertaken in Canadian currency.
- ❖ Preference is for payment on an open account or agency credit card basis. Down payments or deposits are to be avoided, whenever possible, and payment should be forwarded only upon full receipt of goods or services performed.
- ❖ Appropriate customs forms must be prepared and submitted, duly executed by the vendor.
- ❖ Performance guarantees should be stated in writing at the time of purchase.
- ❖ Rates of pay for technical assistance and other start-up costs shall be firmly established prior to purchase.

C. Authorization for Goods, Non-Consulting Services (includes items for people/families we serve) and Construction

- ❖ Expenditures, that are within budget and under \$500.00, may be authorized by the appropriate Supervisor - Supports and Services. Proof of authorization must be included before payment will be issued by Accounts Payable.
- ❖ Expenditures of \$500.00 - \$2500.00 and within budget for tangible goods and services (excluding rent, utilities & taxes) must be authorized by the Director; over this amount must be authorized by the Executive Director and/or designate. Proof of authorization must be included before payment will be issued by Accounts Payable.
- ❖ Cash advances of over \$100.00 must be authorized by the Director. This includes loans for people we support. Proof of authorization and a repayment plan must be included before payment will be issued by Accounts Payable.
- ❖ The Board of Directors shall receive and decide upon items more than \$20,000 when enough budgeted funds are not remaining.

Authorization for Consulting Services

- ❖ Expenditures and arrangements for consulting services of \$0 to \$500.00 within budget may be approved by the Supervisor; Supports and Services, \$500.00 to \$2500.00 within budget by the Director of Supports and Services and anything over this amount requires approval of the Executive Director
- ❖ The Board of Directors shall receive and decide upon items more than \$20,000 when enough budgeted funds are not remaining.

D. Conflict of Interest

- ❖ There is no conflict of interest that could give a vendor an unfair advantage during the procurement process or compromise the ability of a vendor to perform its contractual obligations.
- ❖ Prospective vendors participating in a procurement process declare any actual or potential conflict of interest.
- ❖ Vendors avoid any conflict of interest during the performance of their contractual obligations.
- ❖ Actual or potential conflicts of interest are referred to the CLPE decision maker to resolve a conflict of interest.
- ❖ CLPE can terminate a contract, when a vendor fails to disclose any actual or potential conflict of interest or fails to resolve its conflict of interest, as directed by CLPE.

2. Procurement

- ❖ No person acting on behalf of CLPE will artificially subdivide projects, procurements, or contracts to circumvent any requirements of this Policy.
- ❖ The following guidelines/procedures are to be followed and any exceptions must be approved as indicated and appropriately documented.
- ❖ Additionally, the overall value of any procurement must not be reduced to circumvent the stated procurement thresholds.

A. Telephone Quotations

- ❖ On single items over \$500 but under \$3000, it is recommended that three (3) telephone quotes be obtained, and a Verbal Quotation Report be completed.

B. Written Quotations

- ❖ On items between \$5000 and \$10,000, it is recommended that written quotations by three (3) vendors be obtained. Under extenuating circumstances this may be modified with prior approval of the Executive Director.
- ❖ Quotations will include all applicable costs including taxes and where applicable installation set up and training.

C. Written Tenders

- ❖ On items, more than \$10,000 and up to but not including 100,000.00, a formal written tender known as an "Invitation of Tender" is typed with detailed specifications and sent to the prospective suppliers. These must be clearly documented and kept on file.

D. Posting Competitive Procurements

- ❖ The acquisition of equipment or construction valued at \$100,000 or more requires an open competitive procurement process to be conducted. This requires utilization of the advertised tender process. All open tenders require the approval of the Executive Director and/or Board of Directors. Tenders of over \$100,000 require Board approval.
- ❖ Documents will be posted through an electronic tendering system that will readily be accessible by all Canadian Suppliers. Where results of postings are insufficient, formal processes such as a Request for Information or a Request for Expression of Interest may be instituted.
- ❖ Suppliers will be provided with a minimum of 15 calendar days to respond to postings for the procurement of goods and services valued at 100,000.00 or more. This time frame may be extended based on the value, risk, and complexity of the procurement.
- ❖ A request for Supplier Qualification to gather information about supplier qualifications may be used to pre-qualify prospective vendors if future competitions are anticipated.
- ❖ Where there is only one vendor available for the purchase of the required product/service, no competitive process is required. Such a case may present itself when purchasing used equipment or when purchasing a product/service that has a necessary, unique feature not offered by other vendors.
- ❖ The posting will include at a minimum the following:
 - I. date and time the bid is due (minimum response time is 15 days on a regular business day and submission received outside of the posted date and time will be returned unopened);
 - II. our name and address;
 - III. project engineering firm and address;
 - IV. project architectural firm and address;
 - V. description of project;
 - VI. request for alternative strategies and solutions should this be warranted.
 - VII. evaluation criteria and agreement template
 - VIII. bid dispute resolution process.
 - IX. who is receiving tenders;
 - X. where plans and/or specifications may be viewed, cost of removing a set for preparing a tender;

E. Evaluation and Selection

- ❖ Evaluation criteria will be developed prior to the procurement posting. At a minimum competitive procurement document will include rated and mandatory criteria. The maximum justifiable weighting will be allocated to the price/cost component in the evaluation criteria.

- ❖ Preferential treatment will not be shown in awarding a contract to a supplier because of a competitive procurement process.
- ❖ The selection of successful tender is based on performance, durability, quality assurance, skill, as well as price.
- ❖ If a bidder other than the lowest bidder is selected, documentation of the reasons must be on file to substantiate the decision. Each team member is required to complete the evaluation matrix template.
- ❖ The evaluation team will consist of members of the leadership team, the Director; Finance and Administration, and the Executive Director or designate. The team will be required to sign a No Conflict-of-Interest Declaration.
- ❖ Successful Contractors will be required to submit documentation that they have secured the appropriate Liability Insurance and/or WSIB coverage and must complete the full Contractor Health and Safety Agreement and Checklist prior to commencement of any work.
- ❖ Unsuccessful bidders will be provided with notice and offered the opportunity for a “debriefing” within 60 calendar days of the notification.
- ❖ A signed agreement will be developed dependent upon the scope of work, outlining at a minimum the person responsible to oversee the contract and responsibilities, scope, expenses and claims along with total cost of project, timelines, monitoring, payment milestones, termination clauses, terms for modifications during the project, and evaluation prior to the commencement of work. If there is an urgent need an interim Purchase Order may be used until the full agreement is complete.

Conflict of Interest:

- ❖ There is no conflict of interest that could give a vendor an unfair advantage during the procurement process or compromise the ability of a vendor to perform its contractual obligations.
- ❖ Prospective vendors participating in a procurement process declare any actual or potential conflict of interest.
- ❖ Vendors avoid any conflict of interest during the performance of their contractual obligations.
- ❖ Actual or potential conflicts of interest are referred to the Executive Director to resolve a conflict of interest.
- ❖ CLPE can terminate a contract where a vendor fails to disclose any actual or potential conflict of interest or fails to resolve its conflict of interest as directed by CLPE.

Procurement Documentation Requirements:

- ❖ CLPE must retain for a minimum of seven years after the end of a contract all documentation related to the procurement process, any conflict-of-interest declaration, changes to the contract and related invoices and receipts.

Definitions

- ❖ “Accountability” means the obligation of an employee, agent or other person to answer for or be accountable for, work, action or failure to act following delegated authority.
- ❖ “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.
- ❖ “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 contracting authority in the administration of a proposal, tender, or quotation process.
- ❖ “Executive Director” means the head of operations at Organizations.
- ❖ “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, but does not include professional consulting services related to the construction contract unless they are included in the procurement.
- ❖ “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.

- ❖ “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.
- ❖ 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.
- ❖ “Goods and Services/Goods or Services” means all goods and/or services including
- ❖ construction, consulting services and information technology.
- ❖ “Organizations” means all organizations listed in Application and Scope, Section 2.
- ❖ “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 predefined suppliers or stores and offer central billings.

- ❖ “Procurement Policies and Procedures (PPP)” means a framework and mandatory requirements to govern how Organizations conduct sourcing, contracting and purchasing activities, including approval segregation and limits, competitive and non-competitive procurement, conflict of interest and contract awarding.
- ❖ “Procurement Value” means the estimated total financial commitment resulting from procurement, considering optional extensions.
- ❖ “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 Expressions of Interest (RFEI)” means a document used to gather information on supplier interest in an opportunity or information on supplier capabilities/qualifications. This mechanism may be used when a BPS organization wishes to gain a better understanding of the capacity of the supplier community to provide the services or solutions needed. A response to a
- ❖ RFEI must not pre-qualify a potential supplier and must not influence their chances of being the successful proponent on any subsequent opportunity.
- ❖ “Request for Information (RFI)” means a document issued to potential suppliers to gather general supplier, service, or product information. It is a procurement procedure whereby suppliers are provided with a general or preliminary description of a problem or need and are requested to provide information or advice about how to better define the problem or need, or alternative solutions. A response to an RFI must not pre-qualify a potential supplier and must not influence their chances of being the successful proponent on any subsequent opportunity.
- ❖ “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 must 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.
- ❖ “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.

- ❖ “Services” means intangible products that do not have a physical presence. No transfer of possession or ownership takes place when services are sold, and they (1) cannot be stored or transported, (2) are instantly perishable, and (3) come into existence at the time they are bought and consumed.
- ❖ “Supplier/Vendor” means any person or organization that, based on an assessment of that person’s or organization’s financial, technical, and commercial capacity, can fulfil the requirements of procurement.
- ❖ “Supply Chain Activities” means all activities whether directly or indirectly related to organizational plan, source, procure, move, and pay 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.

***It is an expectation of all employees to adhere to this policy.
Any violation of the policy may be grounds for disciplinary action up to and including
termination of employment.***