

POLICY	NEW []	POLICY NUMBER
Procurement Policy	REVISED [X]	F-13
APPROVED	DATE OF ISSUE	Effective Date:
Board of Directors [x]	October , 2009	April 1, 2017
Executive Director []	Updated December 2016	

Procurement (2016)

1.0 Policy Statement

The policy aims to set out the framework upon which goods and services will be planned, purchased, procured and managed by YSB. The policy shall aim to reinforce the integrity of YSB by following proven procurement approaches that are fair, open and transparent and that are focused on delivering the desired outcomes.

2.0 Guiding Principles

The following principles have been established to guide the procurement process of YSB goods and services:

1. Openness, fairness and transparency
2. Demonstrate value for money
3. Encourage competitive bidding of goods and services
4. Strive to incorporate sustainable procurement into our practices
5. Standardization of items to reduce cost, where practical
6. Accountability: clear segregation of duties and diligence in record keeping and management

3.0 Applicability

This policy applies to all goods and services to be acquired, purchased, procured and/or managed by YSB, including:

1. Materials and supplies
2. Advertising and communication
3. Equipment
4. Information technology equipment, services and software
5. Consulting and advisory services
6. Property management and related services
7. Legal services
8. Travel and Accommodations

4.0 References and Related Policies

Broader Public Sector Procurement Directive
Broader Public Sector Supply Chain Code of Ethics
Accounts Payable
Signing Authority
Professional Conduct
Conflict of Interest
File Retention

5.0 Regulating Authorities

5.1 Canadian Law of Competitive Contracting

An invitation to bid, the submission of bids and the receipt of bids creates a binding contract “A” between the tendering organization and every bidder so long as the bid is not withdrawn by the bidder prior to the bid closing. Therefore, the bid package must contain all of the terms and indicate that the lowest or any bid will not necessarily be accepted. This term however does not give the tendering organization the right to pick and choose which bidder will be successful. The tendering organization must treat all bidders equally. Moreover, bids may only be evaluated using the criteria set out in the tender document. Using requirements and criteria other than those set out in the tender document can lay the tendering organization liable to a lawsuit by unsuccessful bidders.

The principal term of Contract “A” is the irrevocability of the offer and the obligation of the parties to enter into a contract referred to as Contract “B” upon acceptance of the offer.

5.2 FIPPA

The handling of all personal information by Government of Ontario organizations is governed by the Freedom of Information and Protection of Privacy Act¹, and in the case of municipal government, the Municipal Freedom of Information and Protection of Privacy Act. While not directly subject to FIPPA, YSB is cognizant of its accountability to its public funding bodies and has recognized the essence of accountability and potential disclosure obligations.

6.0 Levels of Authorization

Purchases for dollar amounts of \$500 or more always require the approval of your supervisor. For larger purchases, you will also need the approval as listed in the table.

SPENDING LIMITS	APPROVAL
< \$ 1,000	Coordinator
< \$ 5,000	Assistant Director / Manager
< \$ 25,000	Director / Associate Executive Director
< \$100,000	Executive Director
> \$ 100,000	Board of Directors

The amounts shown include all applicable taxes.

The Director of Finance will further authorize all purchases for payment.

Exceptions:

The Youth Services Bureau of Ottawa provides administration services to the Ottawa Children’s Coordinated Access and Referral to Services (OCCARS), an organization whose management reports to a Ministry-established steering committee. OCCARS agrees to comply with YSB administrative procedures, including the procurement policy, as it relates to administrative expenditures. The manager of the program is delegated the authority of an Assistant Director. Subject to the approval of the steering committee, this policy does not apply to client-related expenses. The steering committee agrees that it is responsible to ensure the transparency, accountability and best-value of such expenditures.

¹ <http://www.accessandprivacy.gov.on.ca/english/act/index.html>

Within the Employment Services division of YSB, the program manages employer reimbursements for training and placements of participants. There are significant internal controls to track and monitor these expenditures. The coordinators for each employment program are delegated the authority up to a spending limit of \$3,000 for these types of expenditures only

7.0 Centralized Purchasing

To facilitate the procurement process, and to exercise certain expertise and control, major purchasing activities have been centralized in the following areas. This list of goods and/or services is provided for illustrative purposes only and is not meant to be all inclusive.

Any purchases of goods or services that are the responsibility of a centralized section must be coordinated and authorized with that section, as follows:

- **Information Systems**, for goods and/or services that include: all related telephone and cellular services, all computer related goods and/or services (such as equipment, software licenses, hardware, software maintenance agreements) and internet access
- **Human Resources**, for goods and/or services that include: advertising for job competitions, relocation costs, employee benefits
- **Finance**, for goods and/or services that include: insurance, banking services, investment management services, corporate credit cards, and all goods and/or services related to the agency's leased office space
- **Communications**, for goods and/or services that include: general advertising, design and printing of specialized communication documents (such as a newsletter, communications materials, business cards, the annual report)
- **Broader Public Sector Standing Offers**; access to Government of Ontario procurement for goods and services, where applicable

8.0 Types of Procurement

The following table provides a guide to the vehicles available for tenders and procurements, and their basis for selection:

PROCUREMENT METHOD	USE
Request for Quotation (RFQ)	Used to obtain quotes from potential vendors where selection is based exclusively or primarily on price and the requirements can be precisely defined.
Request for Tender (RFT)	Used to seek bids from potential vendors where price is the primary selection factor.
Request for Qualification (Pre-Qualification) <ul style="list-style-type: none"> ▪ Vendor of Record ▪ Standing Offer 	Used to, and precedes a RFP or RFT in order to, ascertain that bidders meet the minimum requirements, whether managerial, technical, financial or other, to provide the goods or service, regardless of their cost submission. Also used for: Creation of a Vendor of Record for goods or services from vendors with more than one vendor with pre-agreed terms and conditions

PROCUREMENT METHOD	USE
	<p>including capped pricing. VOR's are best utilized when there is a repeated need for a good and/or service, or the precise volume or quantity is not known but when the need/demand arises it requires urgent fulfillment.</p> <p>Creation of <i>Standing Offer(s)</i> similar to VOR, is an offer from a potential vendor to provide goods and/or services at pre-arranged prices, under set terms and conditions.</p> <p>In both cases, no contract exists until YSB issues a call up against the VOR or SO.</p>
Request for Proposal (RFP)	<p>Typically used to obtain goods or services where all or part of the requirement or solution cannot be precisely defined. The RFP is also used when the requirements include providing analysis, sharing of intellectual information, or providing a recommendation and the exchange of intellectual property.</p> <p>RFPs allow for diverse responses, a higher level of competition, quality of response, and a value for money solution.</p> <p>The RFP is used as a stringent evaluation tool differentiating Proponents based on pre-established evaluation criteria, both mandatory and technical. All Proponents, without exception, must be evaluated against these criteria.</p>
Sole Source	<p>Sole Sourcing is allowable <u>only</u> under any one of the following specified conditions as outlined in Section 9.2. Full documentation must be included with the decision to sole source to demonstrate meeting the conditions and the value (total cost of ownership) YSB received from the decision to sole source.</p>
Unsolicited Proposals	<p>YSB does not accept unsolicited formal quotations or proposals, but rather, wishes to ensure that the best prices possible are obtained through a competitive bidding process.</p>
Purchasing Card	<p>YSB issues a limited number of purchasing cards, including credit and gas cards. The use of a purchasing card must follow the agency's policy on Credit Cards.</p>
Sustainable Procurement	<p>Sustainable procurement means that the agency will try to buy products and services according to the following criteria: 1) Good for the local economy, 2) Good for the environment, 3) Good for the social well-being of people who are connected to the product or service. The procurement unit will determine how to use these criteria when evaluating bids, on a case-by-case basis.</p>

9.0 Procurement Process

9.1 Competitive Procurement Process

Goods and Services purchased by, or through YSB, should follow, at minimum, the following process according to the type and value of Good or Service being procured. The following Table 9.1 is a guide to the type of procurement vehicle that is recommended based on type and value of good/service to be procured. The amounts shown include all applicable taxes.

TYPE	VALUE	PROCESS REQUIREMENTS			CONTRACT REQUIRED
		METHOD	SELECTION METHODOLOGY	PUBLIC POSTING REQUIRED*	
Goods & Services (excluding consultants)	Under \$1000	Single source ensuring competitive and fair price comparison**	Lowest Cost	No	No
Goods	\$1,001-\$10,000	RFQ***	Lowest Cost	No	No
Goods	\$10,001-\$25,000	RFT or SO or VOR	Lowest Cost or Value for Money	Yes	No
Goods	Above \$25,000	RFP	Value for Money	Yes	Yes****
Services	Under \$5,000	Single source ensuring competitive and fair price comparison**	Lowest Costs	No	Yes
Services	\$5,000 to \$25,000	RFQ/SO/ VOR and/or RFP	Value for Money	No	Yes
Services	Above \$25,001	RFQ/SO/ VOR and/or RFP	Value for money	Yes	Yes

Table 9.1

* where public posting is required, the request shall be processed through the Purchasing Unit, or equivalent

* *informal call for quotations where three bidders (contacted by phone/email/fax/online) may be used to obtain low dollar value, prompt service (including delivery) and cost efficiency

*** where VOR, SO or other form of bulk purchasing networks exist for the goods and services being procured, these should be used

****where goods include any services (e.g. warranties)

All goods and services procured which exceed \$25,000 must be publicly advertised. For goods under \$25,000 where YSB is seeking a value for money solution, an RFP should be used.

Where Reference Checks are used as part of the procurement, they should be done in accordance with the applicable guidelines, as detailed in the procedures documented in the YSB's Finance Department

9.2 Non-Competitive Procurement Process (Sole Sourced)

YSB may only entertain a non-competitive procurement process if one or more of the following conditions apply and the overall procurement is in the best interest/value for YSB:

1. Unforeseeable situation of urgency or emergency where the good or service cannot be obtained by means of open procurement procedures
2. A situation where tendering could reasonably be expected to compromise confidentiality, cause economic disruption, or otherwise be contrary to public/client/funder interest
3. To ensure compatibility with existing goods or services, to recognize exclusive rights, such as exclusive licenses, copyright, and patent rights; or to maintain specialized products that must be maintained by the manufacturer or its representative
4. Where, for technical reasons, there is an absence of competition, and the goods or services can be supplied only by a particular Service Provider and no alternative or substitute exists.
5. The procurement of goods or services for which there is a statutory monopoly that is controlled by a Service Provider
6. There are pre-requisites to bidding e.g. the existence of an operational power generation facility with excess capacity
7. The purchase of goods on a commodity market
8. The low value of the procurement would make it uneconomical and/or impractical to do so and would not attract bids
9. Work to be performed on or about a leased building, or portions thereof, that may be performed only by the lessor
10. Work to be performed according to the provisions of a warranty or guarantee
11. The purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases
12. The procurement of original works of art
13. The procurement of subscriptions to newspapers, magazines, or other periodicals
14. Services of expert witnesses, especially in anticipation of litigation or for the purpose of conducting litigation
15. In other appropriate circumstances as the Board of Directors may determine from time to time.

YSB must fully document any decision to enter into a non-competitive procurement process – sole source process.

Unforeseeable Emergency/Urgency

An unforeseeable emergency or urgency is expected to involve a situation which could result in a danger to life, damage to property, or suspension of the provision of an essential service. Procurement decisions under these situations must be authorized by YSB Director(s) or Executive Director. The nature of the emergency and the action taken must be provided in writing to the Director of Finance immediately after the emergency has been addressed.

9.3 Petty Cash

For those sections with a petty cash, payments for goods purchased cannot exceed \$200.00 and receipts must be approved by the appropriate delegated authority. Services cannot be purchased using a petty cash. Petty cash must be reimbursed at least once per month, when the balance due is at least \$100.00.

9.4 Informal Call for Quotations (Small Purchases)

All purchases using the informal call for quotation must include the appropriate form. A copy of the form(s) and a description of which form to use is available in Appendix B for the following:

- a) General Goods and Services
- b) Travel Expense Form (Car Rental, Hotel, Flights, Meal, Taxi, Mileage)

Purchases less than \$1000:

For purchases of less than \$1000:

- Every effort to obtain the lowest and best price must be made
- For goods and/or services available through a pre-existing YSB Price Agreement or Purchasing Network, these should be used
- A senior signing officer purchase approval (which can include budgetary approval)
- A Purchase requisition and authorization in accordance with Section 6 and 9.3
- A receipt must be obtained and submitted which clearly indicates time, date, costs, seller and item purchased. A credit card stub (transaction slip) is not acceptable.
- No public advertising is required

Purchases between \$1,000-\$10,000 (Goods) / Under \$5,000 (Services):

Where existing Pricing Agreements, Purchasing Networks, Vendor of Records or Standing Offers exist for the Good and/or Service being procured, these must be used. Where these do not exist, the following outlines the minimum requirements for procurement/purchasing:

- The Procurement Unit/Resource in consultation with the Program or User Department must obtain three (3) written quotations. It shall be up to the interested YSB purchaser to determine the most relevant forum in which to communicate to the vendors, e.g. phone, fax, email, online
- Must receive written estimate to accompany any written documentation taken by YSB (e.g. print out of emails) detailing when request was made, who was contacted and the prices obtained, terms and conditions
- Authorization be obtained in accordance with Section 6 prior to initiating a Request for Tender or Request for Proposal, where these are being employed
- A Purchase Requisition Form with proper authorization, provided to the Finance Department, must be submitted prior to obtaining the good or service
- A receipt must be obtained and submitted which clearly indicates time, date, costs, seller and item purchased. A credit card stub (transaction slip) is not acceptable.

10.0 Responsibilities

Procurement Authority (The Purchaser): who fulfills the procurement role (including making the legally binding commitment to the chosen vendors on behalf of YSB) and is responsible for ensuring that the procurement process fully complies with this policy and secures value for money.

Program/Project Director: who has the need and makes the business case to obtain the necessary approval to spend, to commission the procurement services and to give the final approval to the recommended choice.

Legal: upon request of The Purchaser, the services of legal counsel may be obtained to provide advice, vetting of contract documentation, or negotiation support during a procurement process.

Executive Director: where approval and/or authorization for procurement are required by the Executive Director, they shall participate as part of an Evaluation Steering Committee or designate an individual, for which the Evaluation Team will recommend the successful Proponent for approval.

Board of Directors: where approval and/or authorization for procurement are required by the Board of Directors, they shall participate as part of an Evaluation Steering Committee or designate an individual, for which the Evaluation Team will recommend the successful Proponent for approval.

10.1 Separation of Duty

The two key roles of Procurement Authority and Program Authority must be undertaken by two separate individuals.

This delegated authority to commit a specific purchase contract (purchasing authority) is entirely separated from delegated budgetary authority, including that detailed in individual financial responsibility statements. Budgetary authority does not, in itself, imply purchasing authority. Purchasing authority shall be determined in accordance with Section 6 of this policy.

No member of staff may commit to a purchase without written actual or delegated authority. All members of YSB, not just the purchasers are responsible for ensuring that Value for Money is achieved in the procurement process.

11.0 Documentation

- a. Purchase Requisitions must be issued and signed according to Section 6 and 9 prior to purchasing goods or engaging services.
- b. All source data including specifications, invoices, quotes, receipts, bid documents shall be retained and provided to the Procurement Unit/Personnel within 7 days of Vendor selection and/or receipt of good and/or service.
- c. All PCard logs shall be submitted monthly with all receipts (not transaction slips) and signed-off by a senior resources.

12.0 Purchasing Card(s) - (PCard)

Refer to YSB's policy on Credit Cards.

13.0 Probity and Ethics

Ensuring ethical behaviour and sound probity practices reinforces YSB's reputation in the marketplace, which in turn creates greater confidence in YSB's procurement processes.

13.1 Code of Conduct

Refer to YSB's policy on Code of Conduct for guidelines.

13.2 Conflict of Interest

Refer to YSB's policy on Conflict of Interest for guidelines.

13.3 Acceptance of gratuities

No employee of YSB or designate shall solicit or accept gratuities or gifts of a monetary value exceeding \$50 from contractors, potential contractors, subcontractors or potential subcontractors.

14.0 Communications

- a. Disclosure (what information is to be disclosed for openness and transparency – i.e. RFP, Agreement, PSC, evaluation, etc.)
- b. Confidentiality (protecting confidential and proprietary information of vendors/ suppliers, procurement documents, etc)
- c. Vendors/Suppliers

Public Notices

Communications with vendors are to be made through easily accessible methods. The use of an electronic tendering system (such as MERX or Bid Navigator), and/or publishing the notices in one or more newspapers that are easily accessible to the market will be used. Once vendors have been qualified, YSB may forward future procurement documents only to the qualified vendors.

Communications with Vendors during a Procurement Process

Communications from vendors received by YSB employees, their agents or sub-contractors at any time during the procurement process must be avoided and summarily directed to the contact person identified in the procurement document. In order to:

- a. guard against complaints;
- b. ensure that all vendors are provided with consistent information; and
- c. ensure that the information given does not change the intended meaning of the procurement document or any part therein.

Debriefing

The process of debriefing is used to ensure the continuity of a fair, transparent and efficient procurement process. The purpose of a debriefing session is to give YSB an opportunity to communicate with unsuccessful vendors and provide them with an explanation of why they were not successful with their submission.

Debriefing sessions are held after a contract has been awarded to a successful vendor after a VOR/Standing Offer has been established.

Complaint Processes

Process to review, record/report, and manage vendor complaints concerning procurement policies and/or guidelines

15.0 Policy Compliance

There will be no exceptions to the requirements of this policy in the execution of day-to-day business. Incidents of non-compliance to this policy must be reported. Depending on the circumstance and severity, incidents of non-compliance will be reported to the Executive Director and may result in non-reimbursement of expenditures.

16.0 Auditing

The Procurement Policy shall be reviewed at a minimum within four (4) years of the date it becomes effective and thereafter and, where necessary, be updated to reflect procurement leading practices.

The procurement process shall be monitored from time to time to ensure its integrity in order to demonstrate that YSB has implemented a fair, transparent and efficient process consistent with this procurement practices.

YSB may engage the services of a Fairness Commissioner to oversee the procurement process as a means to demonstrate diligence.

17.0 Amendment

This policy may only be amended with the approval of YSB's Board of Directors.