

<u>POLICY STATEMENT:</u>	Procurement of Goods, Services and Consulting Services and the Use of Agency Credit and Purchasing Cards
<u>DATE ORIGINALLY APPROVED:</u>	September, 2012
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<u>WHERE TO FIND:</u>	FPP /Finance Manual (FM)
<u>POLICY DESIGNATE:</u>	Finance Department

1. Policy Objective

To specify the principles that shall govern the planning, acquisition and management of procurement of goods, services and consulting services and the use of credit and purchasing cards by the Jewish Family and Child Service (the "Agency"), and to specify the mandatory requirements for adherence to those principles.

2. Scope

This Policy applies to all procurement of goods and services.

STANDARDS

General

1. The overall objective is to acquire supply at the right time and in the most economical manner the goods, services and consulting services needed to meet the Agency's' requirements in keeping with the following principles:
 - *Planning* - Goods, services and consulting services shall be acquired only after consideration of needs, alternatives, timing and the overall Agency supply strategy.
 - *Acquiring* - Goods, services and consulting services shall be acquired from qualified vendors as outlined in this Policy to meet specified needs and to achieve, at the best price/cost value for money. Quality, quantity, delivery, servicing, experience, environmental sustainability, and the financial capability of the vendor should be taken into consideration when acquiring goods, services and consulting services.
 - *Managing* - Once procured, goods, services and consulting services shall be managed efficiently, effectively and economically.
2. Goods, services and consulting services must be acquired through a competitive process (as outlined in this Policy) that seeks to achieve the best value for the funds expended to meet the specific needs and to promote fair dealings and equitable relationships with vendors.

3. Projects, procurements or contracts must not be artificially subdivided to avoid any requirements of this Policy.

Responsible Management

4. The Agency must maintain appropriate organization structures, systems, processes and procedures, including regular staff training to enable responsible and effective management of the procurement of goods, services and consulting services in accordance with the mandatory requirements of this Policy.
5. Any exemptions from this Policy require the prior approval of the Chief Executive Officer, and the rationale for the exemption must be clearly documented.
Exemption rationales are to incorporate the principles of planning, acquiring and managing outlined in Standard 1, and the planning activities outlined in Standard 9.
6. The Agency's financial processes and procedures will outline a delegation of authority for approval of all procurements.
7. In managing procurement contracts:
 - All payments must be in accordance with contractual provisions;
 - All payments for expenses must be in accordance with Policy # 803 (Travel, Meal and Hospitality Expense Reimbursement); when applicable.
 - Any overpayment must be recovered wherever possible;
 - All assignments must be properly documented;
 - 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; and
 - Knowledge transfer to Agency staff to support prudent management must take place, where applicable.

Planning

8. The Agency must undertake planning as an integral part of the acquisition process.
9. The following planning requirements must be addressed and documented for all major procurement activities:
 - Early identification of needs;
 - Clear definition of requirements;
 - Justification for the acquisition;
 - Availability of necessary human, financial, technical and accommodation resources;
 - Consideration of alternative ways to satisfy the needs and selection of the most appropriate procurement option;
 - An estimate undertaken of the procurement value; and
 - Necessary authorization to proceed in accordance with the Agency's delegation of authority.

Conflict of Interest

10. The Agency will, include in major procurement contracts provisions that:

- Define conflict of interest to include situations or circumstances that could (a) give a vendor an unfair advantage during a procurement process; or (b) compromise the ability of a vendor to perform its contractual obligations;
- Reserve the right of the Agency to solely determine whether any situation or circumstance constitutes a conflict of interest;
- Require prospective vendors participating in a procurement process to declare any actual or potential conflict of interest;
- Reserve the Agency's right to disqualify prospective vendors from a procurement process due to conflict of interest;
- Require vendors to avoid any conflict of interest during the performance of their contractual obligations for the Agency;
- Require vendors to disclose any actual or potential conflict of interest arising during the performance of a contract;
- Reserve the right of the Agency to prescribe the manner in which a vendor should resolve a conflict of interest;
- Allow the Agency to 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 the Agency; and
- Allow the Agency to terminate a contract where a conflict of interest cannot be resolved.

Vendor Selection - GOODS (Including Information Technology Goods)

11. Where there are multiple vendors for the required goods and the total estimated contract value is:

- Less than \$5,000 - the Agency should apply a competitive procurement procedure that ensures that value for money was provided.
- \$5,000 to \$25,000- the Agency should apply a competitive procurement procedure that ensures that value for money was provided and is documented.
- Over \$25,000 and up to \$100,000 – The Agency should apply an invitational competitive procurement procedure (a minimum of three suppliers)
- over \$100,000 – The Agency must use an open and transparent competitive process.

Where there is only one (1) vendor available for the purchase of the required good, no competitive selection process is required. However, the fact there is only one (1) vendor available must be documented.

Vendor Selection - SERVICES AND CONSULTING SERVICES

12. Where there are multiple vendors for the required services and consulting services, and the total estimated contract value is:

- less than \$25,000 - a competitive procurement procedure should be applied and value for money must be ensured.
- \$25,000 to \$100,000 – The Agency must consider at least three (3) vendors within a given service category. Where there are only two (2) vendors, the Agency must consider and/or invite both.
- over \$100,000 – The Agency must use an open and transparent competitive process.

Where there is only one (1) vendor available for the purchase of the required service or consulting service, no competitive selection process is required. However, the fact there is only one (1) vendor available must be documented.

Contract Value Increase

13. Any proposed increase to the total contract value for procurement beyond the initially documented total contract value requires prior written approval of the appropriate delegated authority before the contract value is increased or any further procurement activity proceeds. Any agreed upon increase must be documented in writing.

Evaluation Process

14. The Agency must evaluate bid responses received consistently and in accordance with the evaluation criteria, rating and methodology set out in the procurement procedure document. The evaluation of best price/cost must be undertaken after the completion of the evaluation of the mandatory requirements and any other rated criteria.

Defining the Requirements

15. The requirements of the procurement contract must be defined properly and clearly by the Agency so that potential vendors can submit valid and responsive submissions, bids and proposals and the procurement documents must include proposed contract terms and conditions.

Procurement Documentation Requirements

16. The Agency must retain for a minimum of seven years after the end of a contract all approvals, procurement and contract management documentation, including, but not limited to:
 - A copy of the procurement justification or business case;
 - Information regarding all vendor consultations, including any requests for information, undertaken in the development of the procurement justification or business case or request for qualifications, quotations, proposals or tenders;
 - Documentation that all required approvals were obtained by the appropriate delegation of authority;
 - Copies of all requests for qualifications, quotations, proposals or tenders used to qualify and select the vendor;
 - For the successful vendor(s), conflict of interest declaration in accordance with this Policy Directive;
 - Information regarding any issues that arose during the procurement process, and how the issues were resolved;
 - Information regarding all vendor debriefings;
 - Copies of all contract award notifications;
 - Copies of all approved contracts including which goods, services, or consulting services are to be provided and paid;
 - Information and approval by the appropriate delegation of authority regarding all uses of any exceptions to the Agency's policy pertaining to the procurement of goods, services and consulting services;
 - Justification for the use of any exception, the recipient of the contract, the date of award and the total contract value;
 - Information regarding all changes to the terms and conditions of a contract, including any changes that resulted in an increase in the contract price;
 - Information regarding the management of the vendor, including how the vendor's performance was monitored and managed and, where applicable, mechanisms used to transfer knowledge from the vendor to Agency staff;
 - Information regarding all disputes or vendor complaints regarding the procurement

- and the resolution of the disputes or vendor complaints;
- Evidence of receipt of deliverables; and
- Detailed invoices that allow the assessment of the appropriateness and reasonableness of amounts billed.

Agency Credit and Purchasing Cards

17. An Agency credit or purchasing card is to be used for low-dollar value purchases wherever permitted under the procedures listed in this Policy, mainly in events where alternative means of payment (Agency cheques or Electronic Funds Transfer payments) are not accepted by the suppliers or when they cannot be used.
18. Under no circumstances may an Agency credit or purchasing card be used to circumvent Agency purchasing policies or restrictions.
19. Agency credit or purchasing cards are issued to individuals approved by the Chief Executive Officer.
20. Specific parameters for each authorized credit or purchasing card such as a dollar limit per transaction, credit limit per month, expiry date, number of transactions per month, and purchasing restrictions are determined and approved by the appropriate delegated authority.
21. Itemized statements or receipts must be reconciled to original receipts and retained for audit purposes.

Procurement Not Covered by the Provisions under this Policy

Professional Services

22. Standards 1-16 as outlined in this schedule do not apply to the procurement of services provided by the following licensed professionals:
 - Medical Doctors;
 - Dentists;
 - Nurses;
 - Pharmacists;
 - Veterinarians;
 - Engineers;
 - Land Surveyors;
 - Architects;
 - Chartered Professional Accountants;
 - Lawyers; and
 - Notaries.

Other Procurement Not Covered by the Provisions of this Policy

23. The following types of procurement are not covered by the provisions of this Policy:
 - Procurement of services from psychologists, social workers, therapists, counselors, psych-educational group facilitators, child and youth workers, personal support workers and chaplains;
 - Procurement from philanthropic institutions, prison labour or persons with disabilities;

- Procurement made pursuant to an agreement or policy concerning Aboriginal Peoples;
- Procurement of goods related to cultural or artistic fields as well as computer software for educational purposes; and
- Procurement of services from Outside Paid Institutions (OPI's) for children in the care of children's aid societies.

24. When procuring services not covered by this Policy, controls over the acquisition of, and payment for professional services must be in place. The Agency must:

- Document the basis upon which licensed professionals were selected and why the fees are commensurate with the qualifications of those licensed professionals;
- Enter into formal written agreements detailing the conditions under which services are to be provided and paid;
- Periodically evaluate the results achieved; and
- Ensure that invoices contain sufficient detail to assess the appropriateness and reasonableness of amounts billed.

The Ontario Broader Public Sector Supply Chain Code of Ethics

25. The Agency hereby adopts the Ontario Broader Public Sector Supply Chain Code of Ethics and shall adhere to it. Such Code shall be made available on the Agency website such that it is visible to all members of the Agency as well as suppliers and other stakeholders involved in supply chain activities.

Cross References:

Policy 803: Reimbursement of Travel & Hospitality Expenses

Policy 802: Cheque Signing, Electronic Fund Transfer Payments and Expenditure Authorization