



## PROCUREMENT POLICY

**Category:** Procurement

**Owner:** Finance Department

**Initial Board Approval:** March 2016

**Reviewed and Revised:** September 2018

**Revision Cycle:** 5 years

**Next Revision Date:** September 2023

### PURPOSE:

- Compliance to the Ontario *Broader Public Sector Procurement Directive*
- To outline responsibilities for each stage of the procurement process

### SCOPE:

**Includes:** Reena employees involved with ordering goods and services (hereby referred to as staff)

**Excludes:** Contracted service providers, volunteers and students and Reena employees who are not involved with ordering goods and services

### POLICY STANDARDS:

Goods and services means any goods, construction and services, including but not limited to IT and consulting services.

Reena will ensure that goods and services are acquired through a process that is open, fair and transparent. This policy provides a framework and mandatory requirements for sourcing, contracting and purchasing activities including approval segregation and limits, competitive and non-competitive procurement, conflict of interest and contract awarding.

### **Segregation of Duties**

Reena management will ensure the segregation of at least three of the five functional procurement roles:

- Requisition
- Budgeting
- Commitment
- Receipt and Payment

Responsibilities for these roles must lie with different departments or, at a minimum, with different staff at Reena.

- All requisition for the procurement of goods or services “MUST” be submitted in writing to the Procurement Department. To also included Department or GL for which this item is to be expensed too.
- All Purchase Request or Purchase Order will be provided by staff of the Procurement Office.
- All Receipt of Goods “MUST” be confirmed by the Supervisor/Manager of the requesting Department/Program.
- Approvals for the Payment of Invoices for Goods or Services “MUST” be received from the Managers/Designate to allow for process of Payment.
- Accounting/Finance will process all payments for invoices in accordance with the 3 way matching process. Request/Order/Receipt of goods or service.

### **Exemptions**

Property Management Staff may from time to time purchase MRO (Maintenance, Repair, Operations) items (excluding dishwashers, stoves and fridges) directly for use in MRO requirements and subjected to the following conditions:

- All purchase of excepted items may be made with the use of Reena approved and provided cards for payments and/or on accounts set up with designated suppliers.
- ONLY Original receipts or Invoices (No Photo Copies unless approved by the Procurement Manager or designate) and “MUST” bear or make reference to a “WORK ORDER” “JOB REQUEST” or “OTS NUMBER” for the specific MRO or JOB for which the supplies was purchased for will be accepted for processing for payment.
- All Invoices and or receipts “MUST” be approved by the Property Supervisor/Manager or designate to validate the purchase and receipt requirement.
- All submitted Invoices and/or receipts provided will receive an additional level of review by the Procurement Manager or designate prior to processing for payment

### **Approval Authority**

- Managers up but not including \$5,000 (With the exception of the Procurement Manager or his designate)
- Executive Management Leads up to but not including \$25,000 with certain exceptions after consultation/advice of the Procurement Manager or on the execution of contracts/agreements as a result of competitive bids

### **Goods and Non-Consulting Services**

Reena has established an approval authority schedule (AAS) for procurement of goods and non-consulting services. This identifies, for each of the functional procurement roles identified in

the Segregation of Duties Section, authorities that are allowed to approve procurements for different dollar thresholds, as approved by the Board.

Prior to commencement, any procurement of goods and non-consulting services will be approved by an appropriate authority in accordance with the AAS.

Prior to commencement, any non-competitive procurement of goods or non-consulting services must be approved by an authority one level higher than the AAS requirements for competitive procurement.

**Consulting Services**

Prior to commencement, any procurement of consulting services must be approved in accordance with the Procurement Approval Authority Schedule for Consulting Services below.

Procurement Approval Authority Schedule (AAS) for Consulting Services Procurement Method	Procurement Value	Approval Authority
Invitational Competitive	\$0 up to but not including \$100,000	See AAS Schedule
Open Competitive	Any value	See AAS Schedule
Non-competitive*	\$0 up to but not including \$1,000,000	President, CEO or Designate by Sole Source Waivers
	\$1,000,000 or more	Board of Directors by Sole Source Waivers

Staff must not reduce the overall value of procurement (e.g., dividing a single procurement into multiple procurements) in order to circumvent the approval requirements of the AAS or the Procurement AAS for Consulting Services.

**Competitive Procurement Thresholds**

Reena will conduct an open competitive procurement process where the estimated value of procurement of goods or services is \$100,000 or more. The exemptions must be in accordance with the applicable trade agreements. Reena will competitively procure consulting services irrespective of value. The exemptions must be in accordance with the applicable trade agreements.

<b>Total Procurement Value</b>	<b>Means of Procurement</b>	<b>Recommended/Required</b>
\$0 up to but not including \$100	Petty cash	Recommended
\$100 up to but not including \$3,000	Reena credit card	Recommended only after consultation/advice of Procurement department Staff
\$3,000 up to but not including \$10,000	Purchase order	Required
\$10,000 up to but not including \$100,000	Invitational competitive procurement (minimum of three suppliers are invited to submit a bid)	Required
\$100,000 or more	Open competitive process	Required

Staff must not reduce the overall value of procurement (e.g., dividing a single procurement into multiple procurements) in order to circumvent competitive procurement thresholds.

### **Consulting Services**

<b>Total Procurement Value</b>	<b>Means of Procurement</b>	<b>Recommended/Required</b>
\$0 up to but not including \$100,000	Invitational or open competitive process	Required
\$100,000 or more	Open competitive process	Required

Staff must not reduce the overall value of procurement (e.g., dividing a single procurement into multiple procurements) in order to circumvent competitive procurement thresholds.

### **Information Gathering**

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. A response to RFI or RFEI must not be used to pre-qualify a potential supplier and must not be used to influence the chances of the participating suppliers from becoming the successful proponent in any future or subsequent opportunity.

### **Supplier Pre-Qualification**

The Request for Supplier Qualification (RFSQ) enables Reena to gather information about supplier capabilities and qualifications in order to pre-qualify suppliers for an immediate product or service needed or to identify qualified candidates in advance of expected future competitions.

Terms and conditions of the RFSQ document must contain language that disclaims any obligation of Reena to call on any supplier to provide goods or services as a result of pre-qualification.

### **Posting Competitive Procurement Documents**

Calls for open competitive procurements must be made through an electronic tendering system that is readily accessible to all Canadian suppliers.

### **Timelines for Posting Competitive Procurements**

Reena will provide suppliers a minimum response time of 15 calendar days for procurement and/or supply of goods and services valued at \$100,000 or more.

Reena will consider providing suppliers a minimum response time of 30 calendar days for procurements of high complexity, risk, and/or dollar value. Schedule and time line will be outlined and included in the formal bid request document that will be posted.

### **Bid Receipt**

Bid submission date and closing time must be clearly stated in the competitive procurement documents. The clock to be used will be located in the Procurement Office and the format for compliance will be EST (Eastern Standard Time reflective of 00.00.00). Reena will set the closing date and time of a competitive procurement process on a normal working day (Monday to Friday, excluding provincial and national holidays, Jewish holidays). Submissions that are delivered or received after the closing date and time will not be accepted and be returned unopened by registered mail or trackable courier delivery.

### **Evaluation Criteria**

Evaluation criteria will be developed, reviewed and approved by the appropriate lead staff at the commencement of the competitive procurement process. Competitive procurement documents must clearly outline mandatory, rated, and other criteria that will be used to evaluate submissions, including weight of each criterion.

Mandatory criteria (e.g., technical standards) should be kept to a minimum to ensure that no bid is unnecessarily disqualified. Maximum justifiable weighting must be allocated to the price/cost component of the evaluation criteria.

All criteria must comply with Non-discrimination (of the Directive) Section below.

The evaluation criteria are to be altered only by means of addendum to the competitive procurement documents.

Reena may request suppliers to provide alternative strategies or solutions as a part of their submission. Criteria to evaluate alternative strategies or solutions will be put in place prior to commencement of the competitive procurement process. Alternative strategies or solutions must not be considered unless they are explicitly requested in the competitive procurement documents.

### **Evaluation Process Disclosure**

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.

### **Evaluation Team**

Each competitive procurement processes will require an evaluation team responsible for reviewing and rating the compliant bids.

The evaluation team members will 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 will be required to sign a conflict-of-interest declaration and non-disclosure of confidential information agreement.

### **Evaluation Matrix**

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.

### **Winning Bid**

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.

### **Non-Discrimination**

Reena will not discriminate or give preferential treatment in awarding a contract to a supplier as a result of a competitive procurement process for which the supplier was not the winning bidder.

### **Executing the Contract**

The agreement between Reena and the successful supplier must be formally defined in a signed written contract and/or agreement (sometimes referred to as Contract A) before the provision of supplying goods and/or services commences.

Where an immediate need exists for goods or services, and Reena 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 an appropriate delegated authority or a waiver document to indicate the reason for the delegation to undertake the purchase.

### **Establishing the Contract**

The contract must be finalized using the form of agreement that was released with the procurement documents (normally referred to Contract A). 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 Reena and the successful supplier must be defined formally in a signed written contract before the provision of supplying goods or services commences.

The jurisdiction for all contracts/agreements entered into will be governed by the Laws of Ontario.

### **Termination Clauses**

All contracts must include appropriate cancellation or termination clauses and where needed the use of contract clauses that permit cancellation or termination at critical project life-cycle stages.

Reena, where needed, will seek legal advice on the development of such clauses.

### **Term of Agreement Modifications**

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 or delegated authority must be obtained before executing any modifications to the term of agreement. Extending the term of agreement beyond that which is set out in the competitive procurement document will amount to a non-competitive procurement where the extension affects the value and/or stated deliverables of procurement of the goods or service.

### **Contract Award Notification**

For contract award notification of all procurement of goods and/or services valued at \$100,000 or more, Reena will post, in the same manner as the procurement documents were posted. The

notification must be posted after the agreement/contract between the successful supplier and the Organization was executed. Contract award notification should list the name of the successful supplier, agreement start and end dates, and any extension options.

### **Supplier Debriefing**

For procurements valued at \$100,000 or more, Reena will inform all unsuccessful suppliers about their entitlement to a debriefing.

Reena will allow unsuccessful suppliers 60 calendar days following the date of the contract award notification to request a debriefing.

### **Non-Competitive Procurement**

Reena will employ a competitive procurement process to achieve optimum value for money. It is recognized, however, that special circumstances may require Reena to use non-competitive procurement.

### **ROLES AND RESPONSIBILITIES:**

#### **Supervisors/Managers:**

- submits requests for the sourcing and procurement of goods and/or services for their assigned department and/or programs within their level of approvals to purchase and acceptable to make recommendations to the source for purchase

#### **Procurement Staff:**

- identify, source goods or service, create, issue and follow on all purchase requests, placement of Purchase Orders as per approved with selected suppliers
- may approve invoice for processing for payment in the confirmation of the delivery of goods and completion of services in consultation with the managers
- place orders for the supply of goods or services for Reena. (All other staff and contracted consultants may not place a request for purchase of goods or services nor place an order directly with any supplier for goods and services on behalf of Reena)

### **RELATED POLICIES/PROCEDURES:**

- Supply Chain Code of Ethics Policy

### **POLICY REVISION HISTORY:**



<b>Date:</b>	<b>Modifications:</b>	<b>Approved by:</b>
Sept 2018	Change in Content	CQI and Board