

# Administrative Manual



## Policy and Procedure

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### PURCHASING/PROCUREMENT (GENERAL AND CAPITAL)

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#### Policy:

Grandview Children’s Centre (“Grandview Kids”, “the Centre”) is committed to demonstrating fiscal responsibility and accountability for the procurement of supplies, equipment, and services in accordance with stated approvals and processes. As a publicly funded organization, we will ensure that our procurement processes are compliant to the Ontario Broader Public Sector (“BPS”) Procurement Directive, the Building Ontario Businesses Initiative (“BOBI”), the Canadian Free Trade Agreement (“CFTA”), the Canada-European Union Comprehensive Economic Trade Agreement (“CETA”) and any other applicable provincial and federal trade agreements. If any inconsistencies exist between this policy and the BPS Procurement Directive, the Directive shall prevail.

All procurement activities must be approved by the appropriate authority and must be fair, consistent, ethical and transparent. The appropriate method shall be chosen based on dollar value, availability of a Vendor of Record (VOR) arrangement, and type of good or service procured.

Every effort will be made to ensure that the general principles and code of ethics outlined in the Directive are practiced, and accordingly they have been included when/where appropriate in this policy and procedure. Staff must refer to the Directive if unclear on the details contained in this policy and procedure.

<https://www.ontario.ca/files/2024-02/tbs-bps-procurement-directive-en-2024-02-08.pdf>

When procuring goods or services with specific funding received from one of our funding sources, we will adhere to any specified/mandated purchasing guidelines as required. Where these guidelines differ from Centre policy or the Directive, based on value, they will be reviewed with the Chief Financial Officer (CFO) and/or Finance and Facilities Committee prior to procurement.

#### Code of Ethics

The following Code of Ethics will be followed:

1. **Personal Integrity and Professionalism:** Staff involved in the procurement process must act, and seen to act, with integrity and professionalism. Honesty, care and due diligence must

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be integral in all activities. 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. Any employee finding themselves in an actual or potential conflict of interest will declare their position to the CEO before proceeding, and appropriate mitigating action must be taken. No gifts, donations of goods or services for personal benefit are to be accepted by employees from vendors or suppliers, except as specifically approved by their CEO, or are deemed to be a small token of appreciation. Vendors must declare any actual or potential conflicts of interest, and disclose any conflict of interest that may arise during the performance of their obligations. Any offer of donations by vendors or suppliers of goods/services shall be referred to the Foundation's Development Officer.

2. **Accountability and Transparency:** All procurement activities are open to scrutiny.
3. **Compliance:** All involved with the procurement process must comply with the terms of this policy and procedure, and as appropriate the Directive, ensuring all laws of Canada, Ontario, the Region and Municipality are complied with as well as Federal, Provincial and Regional legislation pertaining to privacy, accessibility, Occupational Health and Safety.
4. **Continuous Improvement:** All involved should continuously work to improve procurement policies and procedures, and ensure leading practices are followed.

**Building Ontario Businesses Initiative**

The Building Ontario Businesses Initiative ("BOBI") is Supply Ontario's response to the negative impacts on Ontario businesses imposed by the COVID-19 pandemic, recent supply chain disruptions, inflation, and resource constraints. It aims to:

- Level the playing field for Ontario Businesses.
- Support economic and regional development by reducing barriers for Ontario businesses.
- Create resiliency and prepare Ontario's supply chain for any future emergencies.

In accordance with the BPS Procurement Directive and the *Building Ontario Businesses Initiative Act, 2022*, ("the Act") Grandview Kids is required to employ the following strategies in its procurement activities.

- For procurements under domestic trade agreement thresholds (<\$121,200) preference **must** be given to Ontario Businesses by using a specified method e.g., point advantage.
- For procurements above domestic trade agreement thresholds (>\$121,200) but below international trade agreement thresholds (<\$366,800), preference **must** be given to Canadian Businesses by using a specified method e.g. limiting procurement opportunity to only Canadian Businesses.
- For procurements above international trade agreement thresholds (>\$366,800):
  - Wherever available, exceptions and non-application provisions in trade agreements that can be used to give Ontario businesses preference should be applied.
  - If feasible, procurement opportunities should be restricted to Ontario trade partners

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- only.
- Evaluation criteria focused on domestic or local considerations should account for at least 25% to 45% of the overall score to increase the likelihood of awarding to an Ontario Business. Examples of domestic criteria include:
    - Local community economic benefits;
    - Estimated response time;
    - Compliance with Ontario Environmental and Labour laws, etc.
  - For procurements with an estimated value of \$50 million or more, include an Industrial Regional and Technology Benefit (IRTB) requirement.

Vendors are required to attest their status as either an Ontario or Canadian Business.

*Allowable Exemptions for procurements below domestic trade agreement thresholds (<\$121,200)*

The following goods and services are not prescribed for the purposes of the Act.

- Treasury operations services procured by the Ministry of Finance or the Ontario Financing Authority, including treasury operations services procured by the Ministry of Finance or the Ontario Financing Authority for a public body as defined in Part II of the *Capital Investment Plan Act, 1993*.
- A good or service required for an emergency.
- A good or service procured pursuant to a standing offer, vendor of record arrangement or a multi-use list.
- A good or service procured for commercial sale or resale or for use in the production of a good or service intended for commercial sale or resale.
- The services of a lawyer, paralegal or notary public.
- The services of an expert witness to be used in a court or legal proceeding.
- A good or service not available from an Ontario Business.

If any of the above exemptions apply to a procurement below \$121,200, the BOBI Exemption Form must be filled and approved by the appropriate authority outlined in the Approval Authority Schedule before proceeding.

**Approval Authority Schedule (AAS)**

Prior to proceeding with any procurement, approval must be given by the appropriate authority outlined in the organizational Approval Authority Schedule (AAS).

If a non-competitive method is used, approval must be one level higher than stated in the AAS.

**Competitive Procurement Thresholds**

Competitive procurement processes are either open or invitational.

- An *open competitive procurement* is one that is posted publicly on an electronic tendering system (Bonfire) that is readily accessible by all Canadian suppliers and must provide supplier a minimum response time of fifteen (15) calendar days for the procurement of goods and services above \$121,200. For a comprehensive list of requirements, please review the BPS Procurement Directive, *Section 7, Mandatory Requirements*.

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- An *invitational competitive procurement* is any form (e-mail, phone, fax) of requesting a minimum of three (3) qualified vendors to submit a written proposal in response to defined requirements.

The total value and type of good or service being procured determine whether an open competitive process is required. Even when not required, it is permissible to continue with an open competitive process depending on the size and scope of the requirement.

<b>Total Value of Procurement (excluding tax)</b>	<b>Goods, Construction, Non-Consulting Services</b>	<b>Consulting Services</b>
Below \$121,200	Competitive Process <i>optional</i> (see Approval Authority Schedule for Procurement Method)	Invitational Competitive <b>required</b>
\$121,200 and above	Open Competitive <b>required</b>	

The value of a procurement **shall not** be divided to bypass open competitive procurement.

**Limited Tendering**

Limited tendering refers to non-competitive procurement that is a result of exceptions or non-applications of trade agreements, namely the Canadian Free Trade Agreement (“CFTA”) and the Canada-European Union Comprehensive Economic and Trade Agreement (“CETA”).

Prior to the commencement of any non-competitive procurement, supporting documentation must be completed and approved based on the authority outlined in this policy.

*Single Source Procurement*

The Centre may enter into a non-competitive procurement process from a specific supplier, even though there may be more than one supplier capable of delivering the same good or service, in the following situations (provided it is not done for the purpose of avoiding competition between suppliers, or to discriminate against suppliers):

1. When an unforeseeable situation of urgency exists and the good or service cannot be obtained in time by means of an open procurement process (failure to properly plan and allow sufficient time does not constitute an unforeseeable situation or urgency).
2. Where goods or services to be purchased are of a confidential or privileged nature and the disclosure of these details through an open process could reasonably be expected to compromise confidentiality, cause economic disruption, or otherwise be contrary to the public interest.
3. Where construction materials are to be purchased that it can be demonstrated that transportation costs or technical considerations impose geographic limits on the available

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supply base.

4. Where compliance with the tendering provisions set out in the Directive would interfere with the Centre's ability to maintain security or order or to protect human life or health.
5. In the absence of responses to an EOI.
6. In the absence of receipt of bids in response for a call for proposals or tenders made in accordance with the Directive.

Supportive documentation must be completed and approved based on the AAS.

*Sole Source Procurement*

Where only one supplier is able to meet the procurement requirements, the Centre may conduct non-competitive procurement, provided it is not done for the purposes of avoiding competition between suppliers, or to discriminate against suppliers, in the following circumstances:

1. To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licences, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacture or representative.
2. Where there is an absence of competition for technical reason and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists.
3. For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly.
4. For work to be performed on or about a leased building that may only be performed by the lessor.
5. For work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work.
6. For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases.

Supporting documentation must be completed and approved based on the AAS.

**Vendor of Record (VOR) Arrangements**

The goal of a VOR arrangement is to leverage and optimize combined volumes in the procurement of goods and services. This streamlines the procurement process as VOR have already been through a vigorous process to be identified, and the Centre is encouraged to utilize this arrangement whenever possible.

Grandview Kids has access to the VOR arrangements from the following organizations:

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- Ontario Ministry of Government Services (MGS) [www.doingbusiness.mgs.gov.on.ca](http://www.doingbusiness.mgs.gov.on.ca).
- HealthPRO Procurement Services
- Mohawk Medbuy Corporation
- Kinetic GPO
- Ontario Education Collaborative Marketplace (OECM)

**Standardization**

The goal of standardization is to ensure:

1. Consistent quality
2. Conformity of product/service
3. Maximization of volume purchase opportunities
4. Maintenance and supply costs are minimized
5. Products/services are interchangeable (if appropriate), and can be transferred

Situation or conditions may exist where it is in the best interests of the Centre to deal with a specific product or vendor to purchase capital equipment, computer technology and associated professional services. These situations will be considered in accordance with the review of the original quotation or tender based on the approvals noted below, and will be reflected in the documentation provided.

When it is determined that standardization is appropriate, the standardization period will not exceed five years. During this period, the product/service will be evaluated to ensure that it remains cost effective, reliable, and appropriate for the Centre to continue the relationship. Based on this review, an updated quotation or tender may be reissued during the five year period. At the completion of the five year period, a review of the arrangement must be done (review would include product/service quality, user satisfaction, durability/reliability, availability, customer service, pricing, other available products/services available, etc.). Subject to approvals noted below, an extension can be granted upon completion of a favorable review, for a period not to exceed two years. If the review is deemed to be unfavorable by the Chief Financial Officer or CEO, an updated competitive quotation or tender must take place.

The Centre will review any contracts/arrangements from time to time or when deemed necessary to ensure that the Centre is receiving the right services, ensuring value for money.

**Contract and Records Management**

Procurement and the resulting contracts must be managed responsibly and efficiently. All payments must be made in accordance with the provisions of the contract, and all invoices must contain detailed information sufficient to support payments. Supplier performance must be managed and documented, and any performance issues must be addressed.

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Grandview Kids will ensure that the responsibilities of both the Centre and the supplier are defined in a signed written contract before the provision for supplying the goods or services commences. All contracts will include appropriate cancellation or termination clauses.

All contract and procurement documentation are located electronically on our contract management platform.

For reporting and audit purposes, all procurement documentation, as well as any other pertinent information must be retained in a recoverable format for a period of seven years.

**Purchase Orders**

Purchase orders are required for all purchases and services unless authorized by the Chief Financial Officer. They are to be completed as follows:

1. Upon receipt of approved purchase requisition or payment authorization form, authorized Business Office Staff enter the details on the on-line standardized purchase order form, save the sequentially numbered purchase order in the secured Business Administration section on SharePoint, and print a copy for review/approval.
2. Completed purchase orders and supporting documentation are then forwarded for approval, based on the details noted above. Once approved, designated staff makes arrangements to fax or mail the purchase order details to the vendor, then file the documentation for further processing once the purchase is complete. A copy of the approved purchase order is placed in the purchase order log book.

In cases where a purchase order is not required, the purchase requisition or payment authorization is used to support the purchase, and are attached to the invoice and all relevant supporting documentation. Details are then filed for further processing once the purchase is complete.

**Definitions**

*Budgeted Expenditure:* Any contracted purchase of supplies, equipment or service which has been included in the Centre's annual operating budget, and approved by the Board of Trustees (Example - insurance, telephone, lease, employee benefits, etc.).

*Canadian Business* – a commercial enterprise that is incorporated pursuant to the laws of Canada and which has ongoing business activities in Canada.

*Capital Purchase:* The acquisition of equipment which has a value before tax of over \$3,000.

*Consultant:* 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.

*Expression of Interest (EOI):* An informal request to determine if a vendors/suppliers would like to engage in a formal quote/tender process.

*General Purchase:* The acquisition of supplies, equipment or services which have a value before tax of \$3,000 or less (as defined in the Ontario Healthcare Reporting Standards V9.2 – Children’s Treatment Centre requirements – Chapter 6).

*Non-consulting services:* Services that do not provide expert or strategic advice for consideration and decision making, but rather deliver a more tangible product/service. In these situations, procurement activities must be consistent with goods and non-consulting service BPS guidelines.

*Ontario Business* – a supplier of manufacturer or distributor of any business structure that conducts its activities on a permanent basis in Ontario. The business either (i) has its headquarters or a main office in Ontario, or (ii) has at least 250 full time employees in Ontario at the time of the applicable procurement process.

*Ontario Trade Partner* – a country or territory that Ontario/Canada has an existing trade agreement with.

*Procurement:* Acquisition by any means, including purchase, rental, lease or conditional sale of goods or services.

*Quotation:* A statement provided by a supplier detailing the current selling price for a good or service.

*Tender:* A formal process that involves seeking competitive submissions from suppliers, based on requirements defined by Grandview Kids, to execute work or supply a good or service for a fixed price for a defined period of time. Tenders may be public (i.e. advertisements in local papers, or posted on a public website – MERX), or invited (Grandview Kids selects vendors from previous experience or recommendations).