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| Procurement of Goods and Services 8020 | |
| Chapter 8: Purchasing/Expenditures | Department: Finance |
| Date Approved: | Date Revised: |
| Source Reference: Government Ontario – Broader Public Sector Procurement Directive  [www.doingbusiness.mgs.gov.on.ca](http://www.doingbusiness.mgs.gov.on.ca) | |

POLICY:

A competitive procurement process will be undertaken when practical for the purchase goods and services, to ensure value for money. Nogdawindamin Family and Community Services acquisition of goods and services will be clearly outlined and based on a transparent review which is in compliance of the Broader Public Sector Procurement Directives under Section 12 of the Broader Public Sector Accountability Act, 210. Ongoing reviews will be completed to ensure compliance with any changes within the Broader Public Sector Procurement Directives. The three items below will be segregated as to who performs the item. Requisition/receipt by supervisor, budgeting by Director of Finance or Accounting Manager, Payment by accounts payable. Commitment to the expense can be performed by supervisor level and can be the same supervisor that performed requisition/receipt of goods or services.

PROCEDURE:

1. The following thresholds will apply to the tendering process for the purchase of **goods and services**:

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| **Purchase Expenditure by Vendor (not including sales tax)** | **Means of Procurement** | **Tendering Requirement** |
| Under $10,000 | Purchase Order/Direct Invoice/Credit Card | Minimum of two verbal quotations required unless on vendor of record list |
| $10,000 to $121,199 | Invitation | Minimum of 2 written quotations |
| $121,200 or more | Open – Request for Proposal/Tender issued | Minimum of 3 responsive proposals |

The following thresholds will apply to the tendering process for the purchase of **consulting** services:

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| **Purchase Expenditure by Vendor (not including sales tax)** | **Means of Procurement** | **Tendering Requirement** |
| 0 to $121,199 | Invitational or open competitive process | Minimum of two written quotations required |
| $121,200 or more | Open competitive process | Minimum of 3 responsive proposals |

1. Preference will be given to Ontario suppliers. Suppliers that bid are to attest to their status as an Ontario supplier. An Ontario supplier is a supplier or manufacturer that has a headquarters or a main office in Ontario **and** Regularly conducts its activities on a permanent basis in Ontario (i.e. produces manufactured goods, intangible goods or services) **and** Is clearly identified by name and is accessible during normal business hours.
2. A Vendor of Record will be established when actual demand is not known in advance. The Agency will establish and maintain a reference list of approved vendors (supplier listing) to procure frequently used goods or services (not consulting) under $10,000. When a purchase is required for frequently used goods or services, it is to be procured through a supplier listed on the vendor of record using a purchase order, direct billing, or credit card purchase.
3. Non-competitive purchases may occur as a result of the following:
4. Act, Legislation or the existence of patent or copyrights;
5. Short supply as a result of abnormal market conditions;
6. Only one source of supply being acceptable and cost effective;
7. Absence of competition;
8. Security and confidentiality matters;
9. Emergency situations;
10. Monopoly of a utility;
11. Boarding expenditures;
12. Allowances/reimbursements paid to Alternative Care Providers;
13. Health costs incurred on behalf of an Agency client.

K) Specialty items or services where only 1 supplier exists.

1. Direct negotiation may be used only when one or more of the following conditions apply:
2. Required goods and services will be similar to goods and services under an existing contract;
3. Failed attempt at using a method other than direct negotiation;
4. Goods and services are to be supplied by a vendor with special knowledge, skills, or expertise.

For competitive bids the following rules must be followed:

Tendering can be done directly by Nogdawindamin staff or a third party vendor on Nogdawindamin’s behalf.

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 influence the chances of the participating suppliers from becoming the successful proponent in any subsequent opportunity.

***Supplier Pre-Qualification***

The Request for Supplier Qualification (RFSQ) enables Organizations to gather information about supplier capabilities and qualifications in order to pre-qualify suppliers for an immediate product or service need 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 the Organization 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 by all Canadian suppliers for open competitive bids. Invitational can be sent out to vendors as chosen.

***Timelines for Posting Competitive Procurements***

Must provide suppliers a minimum response time of 15 calendar days for procurement of goods and services valued at $121,200 or more. Must consider providing suppliers a minimum response time of 30 calendar days for procurements of high complexity, risk, and/or dollar value.

***Bid Receipt***

Bid submission date and closing time must be clearly stated in competitive procurement documents. Must set the closing date of a competitive procurement process on a normal working day (Monday to Friday, excluding provincial and national holidays). Submissions that are delivered after the closing time must be returned unopened.

***Evaluation Criteria***

Evaluation criteria must be developed, reviewed, and approved by the board or subcommittee of the board prior to 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 clause. The evaluation criteria are to be altered only by means of addendum to the competitive procurement documents. May request suppliers to provide alternative strategies or solutions as a part of their submission. Must establish criteria to evaluate alternative strategies or solutions 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***

Competitive procurement processes require an evaluation team responsible for reviewing and rating the compliant bids. Evaluation team members must 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 must 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. The evaluation matrix must include the following Building Ontario Business Initiative (BOBI) questions that are to be 25 to 40% of the total value of the RFP’s scoring.

1. The proponent is to describe their policies regarding mitigating supply disruptions. The answer should include whether the proponent has multiple manufacturing and storage facilities, including whether the proponent has manufacturing and/or distribution in Ontario. If not, what strategies are in place to maintain supply continuity during disruptions to the normal course of business?

2. The proponent is to describe an estimated response time, turnaround time and/or in-person resolution at a Member location in the event of an issue with the product or service.

3. Proponent is to describe environmental impact associated with the transportation / provision of goods or services, e.g., CO2 Emissions, to Members. How many kilometers, on average, do the goods have to travel from your manufacturing locations to the province of Ontario.

4. Proponent is to describe and demonstrate that they meet or exceed Environmental and Labour Laws in the Province of Ontario.

5. Proponent is to describe if the creation, use / commercialization, or innovation and technology adoption of intellectual property is created in the Province of Ontario where MMC Members are located.

6. Proponent is to describe the knowledge and experience of the impacted stakeholders in the Province of Ontario where MMC Members are located.

7. Proponent is to describe the capital investment; use of local supply chain (including SME suppliers); skills development and training programs; innovation through research & development; economic benefits to the communities in the Province of Ontario.

8. Proponent is to describe the use of local materials for goods/content; potential job creation; small business development; community revitalization, in the Province of Ontario.

***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***

Must not discriminate or exercise preferential treatment in awarding a contract to a supplier as a result of a competitive procurement process.

***Executing the Contract***

The agreement between Nogdawindamin and the successful supplier must be formally defined in a signed written contract before the provision of supplying goods or services commences. Where an immediate need exists for goods or services, and Nogdawindamin 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 the board or subcommittee of the board.

***Establishing the Contract***

The contract must be finalized using the form of agreement that was released with the procurement documents. 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 Nogdawindamin and the successful supplier must be defined formally in a signed written contract before the provision of supplying goods or services commences.

***Termination Clauses***

All contracts must include appropriate cancellation or termination clauses. When conducting complex procurements, Nogdawindamin will consider, as appropriate, the use of contract clauses that permit cancellation or termination at critical project life-cycle stages.

***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 authority must be obtained before executing any modifications to the term of agreement. Extending the term of agreement beyond that set out in the competitive procurement document amounts to non-competitive procurement where the extension affects the value and/or stated deliverables of procurement.

***Contract Award Notification***

For procurements valued at $121,200 or more, Organizations must post, in the same manner as the procurement documents were posted, contract award notification. The notification must be posted after the agreement between the successful supplier and the Organization was executed. Contract award notification must list the name of the successful supplier, agreement start and end dates, and any extension options.

***Supplier Debriefing***

For procurements valued at $121,200 or more, Nogdawindamin will inform all unsuccessful suppliers about their entitlement to a debriefing. Nogdawindamin must allow unsuccessful suppliers 60 calendar days following the date of the contract award notification to request a debriefing.

***Non-Competitive Procurement***

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

Nogdawindamin may utilize non-competitive procurement only in situations outlined in the exemption, exception, or non-application clauses of the AIT or other trade agreements. Prior to commencement of non-competitive procurement, supporting documentation must be completed and approved by an appropriate authority within Nogdawindamin.

***Contract Management***

Procurements and the resulting contracts must be managed responsibly and effectively. Payments must be made in accordance with provisions of the contract. All invoices must contain detailed information sufficient to warrant payment. Any overpayments must be recovered in a timely manner. Assignments must be properly documented. Supplier performance must be managed and documented, and any performance issues must be addressed. To manage disputes with suppliers throughout the life of the contract, Nogdawindamin may include a dispute resolution process in their contracts. For services, Nogdawindamin will:

**•**Establish clear terms of reference for the assignment. The terms should include objectives, background, scope, constraints, staff responsibilities, tangible deliverables, timing, progress reporting, approval requirements, and knowledge transfer requirements.

**•**Establish expense claim and reimbursement rules compliant with the Broader Public Sector Expenses Directive1 and ensure all expenses are claimed and reimbursed in accordance with these rules.

**•**Ensure that expenses are claimed and reimbursed only where the contract explicitly provides for reimbursement of expenses.

1As set out in the *Broader Public Sector Accountability Act, 2010* (s.10)

***Procurement Records Retention***

For reporting and auditing purposes, all procurement documentation, as well as any other pertinent information must be retained in a recoverable form for a period of seven years. Nogdawindamin will have a written policy for handling, storing, and maintaining the suppliers’ confidential and commercially sensitive information.

***Conflict of Interest***

Nogdawindamin will monitor any conflict of interest that may arise as a result of the Members’ of the Organization, advisors’, external consultants’, or suppliers’ involvement with the Supply Chain Activities. Individuals involved with the Supply Chain Activities must declare actual or potential conflicts of interest. Where a conflict of interest arises, it must be evaluated, and an appropriate mitigating action must be taken.

***Bid Dispute Resolution***

Competitive procurement documents must outline bid dispute resolution procedures to ensure that any dispute is handled in an ethical, fair, reasonable, and timely fashion. Bid dispute resolution procedures must comply with bid protest or dispute resolution procedures set out in the applicable trade agreements.

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| Posting of Procurement Documents 8030 | |
| Chapter 8: Purchasing/Expenditures | Department: Finance |
| Date Approved: | Date Revised: |
| Source Reference: Government Ontario – Broader Public Sector Procurement Directive  [www.doingbusiness.mgs.gov.on.ca](http://www.doingbusiness.mgs.gov.on.ca) | |

POLICY:

In circumstances of competitive procurement, Nogdawindamin Family and Community Services will make calls for open competition through a variety of publicly accessible means in order to maintain a fair an open competition.

PROCEDURE:

1. Upon determining that a tendering process is required, the responsible manager as determined by the Chief Executive Officer will solicit quotations and/or proposals through the following public advertising sources in accordance with the annual purchase value and applicable means of procurement:
2. Request from Vendors of Record;
3. Agency website;
4. Posting in member First Nations;
5. Circulation to various vendors, consultants and/or professionals;
6. When a contract value is expected to exceed $121,200, a solicitation may be advertised in newspapers throughout the North Shore.
7. The Manager of Information Technology and Infrastructure (Director of Finance for the audit RFP) will issue a Request for Proposal or Request for Tender in accordance with the annual purchase value and applicable means of procurement. The request must provide the following information to interested contractors:
8. Letter of invitation;
9. Statement of goods or work required;
10. Timeframe for delivery;
11. Suppliers will be given a response time of up to 15 calendar days (dependent on need)
12. In special circumstances of high risk, complexity and cost, the Agency will consider a response time of 30 calendar days
13. Proposal evaluation criteria (See Policy #8020);
14. Bid submission date and time;
15. Evaluation methodology
16. Bid dispute resolution process
17. For procurements valued at $121,200 or more, the Agency will post a contract award notification after the agreement between the Agency and the supplier has been executed. The notification post must list the name of the successful supplier, agreement start and end dates, and any extension options.
18. The terms of agreement and any options to extend the agreement will be included in the procurement documents and posted. The Agency will seek the appropriate internal level of authority before executing any modifications to the term of agreement.

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| Selection and Award of Procurement 8040 | |
| Chapter 8: Purchasing/Expenditures | Department: Finance |
| Date Approved: | Date Revised: |
| Source Reference: Government Ontario – Broader Public Sector Procurement Directive  [www.doingbusiness.mgs.gov.on.ca](http://www.doingbusiness.mgs.gov.on.ca) | |

POLICY:

Nogdawindamin Family and Community Services ensures that all appropriate procurement submissions are reviewed and evaluated in a manner that is fair and factual while remaining free from discriminatory and/or preferential evaluation. The Selection Committee will be used to review quotations, proposals and tenders that have an anticipated purchase value greater than $121,200. The Manager of Information Technology and Infrastructure will prepare agreements.

PROCEDURE:

1. Members of the Agency Selection Committee will be comprised of three of the positions below as chosen by the Chief Executive Officer:
2. Chief Executive Officer;
3. Director Finance
4. Manager of Information Technology and Infrastructure;
5. Senior Program Manager
6. Accounting Manager
7. Facilities Supervisor
8. Board President;
9. Secretary/Treasurer;
10. Other resource persons who may have expertise in the service
11. The Selection Committee members will rate each submission using the factors cited below. Records of evaluation scores must be retained for audit purposes. Factors that will be considered when selecting a vendor include the following:
12. Past performance of the vendor in delivering the goods or services;
13. Quality and level of service provided;
14. Suitability of the vendor;
15. Ability of the vendor to meet delivery requirements;
16. Avoidance of a real or perceived conflict of interest;
17. A monopoly hold by vendors will not be permitted;
18. Costs associated with conversion from an existing supplier to a new supplier;
19. Preference will be given to an Aboriginal vendor if goods and services are of equal or greater value or quality.
20. Submissions in response to Requests for Proposal or Requests for Tender must adhere to the following:
21. Include time, date, and method of delivery;
22. Received by the specified closing date and time;
23. If more than one bid is submitted by a vender, the latest bid will supersede all previous bids;
24. Bidders may withdraw a bid at any time by letter, bearing signature;
25. Bidders may be requested to supply a list of all subcontractors to be utilized.
26. Quotations, proposals, or tenders received are to be date stamped and filed, until the deadline date for submission. The seal on tenders must be maintained pending review by the selection committee. On the pre-determined date, the Selection Committee will open and review the submissions.
27. On the pre-determined date, the Selection Committee will open the quotations, proposals or tenders and review the submissions against evaluation criteria. The Selection Committee will select the bidder who best meets the evaluation criteria. The bidder will be awarded the contract, subject to approval by the Agency’s delegated authorities. The lowest bid is not necessarily awarded the contract.
28. If no acceptable bid has been received, the Director of Finance may waive the need for a revised bid solicitation and enter negotiations if:
29. The bid is more than funds approved by the Agency for the project, or
30. Written justification is provided to demonstrate that changing the bid requirements does not change the nature of the good and/or service required.
31. If equal bids have been received, the Director of Finance may:
32. Offer the bidders an opportunity to resubmit, or
33. Consider other factors that may change the equality of bids such as:
34. Payment discounts;
35. Best delivery date;
36. After sales service;
37. Experience with the Agency.
38. If only one bid has been received, the Director of Finance may:
39. Return the bid and inform the bidder that the Agency may be reissuing the tender later, or
40. Open the bid and assess whether it is acceptable. If the bid is not acceptable, the Director of Finance will follow the Policy for no acceptable bids.
41. Upon approval by the Agency’s delegated authorities for the bid selection, the Director of Finance will verbally inform the candidate of the contract award.
42. For procurements valued at $121,200 or more, the Agency will inform all unsuccessful suppliers about their entitlement to a debriefing. Unsuccessful suppliers will be given 60 calendar days following the date of the contract award notification to request a debriefing.

POLICY REFERENCES:

MAINTENANCE AND DESTRUCTION OF RECORDS

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| Selection Contracts 8050 | |
| Chapter 8: Purchasing/Expenditures | Department: Finance |
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| Source Reference: Government Ontario – Broader Public Sector Procurement Directive  [www.doingbusiness.mgs.gov.on.ca](http://www.doingbusiness.mgs.gov.on.ca) | |

POLICY:

The Agency will formalize the procurement agreement with the winning bid candidate by means of signed written contract before the provision of supplying goods or services commences.

PROCEDURE:

1. The Director of Finance or Manager of Information Technology and Infrastructure as directed by the Chief Executive Officer will prepare an Agreement which clearly states the requirements in detail, as follows:
2. Terms and conditions of the goods and/or service to be provided;
3. Time frame for the delivery of the goods and/or service;
4. Periodic evaluation of results achieved;
5. A minimum 10% holdback provision based on agreed upon payment schedule;
6. Termination clauses;
7. Dispute resolution process;
8. Final signing of the documentation.

1. The delegated authorities will sign the Agreement on behalf of the Agency. Upon receipt of the Agreement signed by the Contractor, the Agreement will be forwarded to Finance Department for filing.
2. The Director of Finance may renew an existing agreement if:
3. The vendor’s performance met the Terms and Conditions;
4. Written justification demonstrates that renewal is in the best interests of the Agency, and;
5. Funds are available within the approved budget.
6. For all procurements greater than $5,000 in value, the Accounting Manager will maintain the following records:
7. Quotations, proposals and/or tenders received for the specific procurement;
8. Evaluation documents of proposals and/or tenders;
9. Approval document;
10. Agreement and amendments to Agreements;
11. Supplier performance records;
12. Confirmation of receipt of deliverables.
13. Procurement Records will be maintained in accordance with the [Maintenance and Destruction of Records Policy](#_Financial_Records_–).
14. The Director of Finance will review vendor performance and satisfaction with the procurement process on an as needed basis and implement improvements as necessary.