

### PREAMBLE

As an agency supported by the Government of Ontario, Extend-A-Family Waterloo Region (EAFWR) is required to abide by the Broader Public Sector (BPS) Procurement Directive issued by the Management Board of Cabinet under the authority of the *Broader Public Sector Accountability Act, 2010*.

### PURPOSE

The purpose of this Directive is to:

- ensure that EAFWR's publicly funded goods and services, including construction, consulting services and information technology will be outlined through a process that is open, fair, transparent and inclusive.
- ensure that EAFWR's responsibilities will be outlined through each stage of the procurement process.
- ensure that EAFWR's procurement processes are managed consistently throughout this Broader Public Sector Procurement Directive Policy.
- provide guidelines for entering into contracts and to establish internal controls over the authorization of procurement processes.
- ensure that EAFWR shall endeavor to receive value for money and spend in an ethical and socially responsible manner when procuring goods, services and consulting services.

### SCOPE

This directive applies to any purchase valued at over \$10,000, however the principles and decision criteria shall be a part of all regular purchasing practices.

### PRINCIPLES

This Directive is based on six key principles that will allow EAFWR to achieve value for money while following a procurement process that is socially responsible, fair and transparent to all stakeholders:

- *Accountability* EAFWR will be accountable for the results of its procurement decisions and the appropriateness of the processes.
- *Transparency* EAFWR will be transparent to all stakeholders. Wherever possible, stakeholders will have equal access to information on procurement opportunities, processes and results.
- *Value for Money* EAFWR will maximize the value it receives from the use of public funds. A value-for-money approach aims to deliver goods and services at the optimum total life-cycle cost.
- *Quality Service Delivery* EAFWR will ensure that people receiving support, staff, students and volunteers receiving the right product, at the right time, in the right place.
- *Process Standardization* EAFWR will ensure that standardized processes will remove inefficiencies and create a level playing field
- *Inclusion and Social Responsibility* EAFWR will actively seek out opportunities to engage with vendors whose vision, mission and values align with EAFWR, as well as vendors who identify as local to the communities where EAFWR works and/or members of historically marginalized groups.

### KEY DEFINITIONS

**"Goods and Services"** means any goods, construction, and services, including but not limited to IT and consulting services

**"Members of an Organization"** means all trustees, members of the Board of Directors, Senior Executives, and employees of the organization, or their equivalent.

**“Supply Chain Activities”** means all activities directly or indirectly related to the organization’s planning, sourcing, procurement, moving or payment process.

**“Consultant”** means 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.

**“Contract”** means an obligation, such as an accepted offer, between competent parties upon a legal consideration, to do or abstain from doing some act. It is essential to the creation of a contract that the parties intend that their agreement shall have legal consequences and be legally enforceable. The essential elements of a contract are an offer and an acceptance of that offer; the capacity of the parties to contract; consideration to support the contract; a mutual identity of consent or consensus ad idem; legality of purpose; and sufficient certainty of terms.

**“Vendor of Record”** means a vendor who has previously completed the quotation process and succeeded in receiving EAFWR business in the past. Their prices, service and values were determined to deliver a strong value, and they may be used for purchasing without the requirement to acquire additional quotes for a period of no more than five years.

### **SUPPLY CHAIN CODE OF ETHICS (CODE):**

This Code does not supersede the Standard of Conduct that EAFWR currently has in place, but supplements EAFWR’s Standard of Conduct with the Supply Chain specific standards of practice.

EAFWR has formally adopted and will abide to the Code in accordance with its governance processes.

This policy’s intent is to establish the conduct of all EAFWR staff that are involved with the Supply Chain Activities in accordance with the Code.

This Code will be made available and visible to all EAFWR staff, volunteers and students, as well as to all suppliers and other stakeholders involved with the Supply Chain Activities. This Code will be posted on EAFWR’s website.

### **ONTARIO BROADER PUBLIC SECTOR (BPS) SUPPLY CHAIN CODE OF ETHICS**

**Goal:** EAFWR will ensure an ethical, professional, and accountable BPS Supply Chain.

- **Personal Integrity and Professionalism** All EAFWR staff, volunteers and students involved with the Supply Chain Activities will act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence will be integral to all Supply Chain Activities within and between EAFWR, suppliers and other stakeholders. Respect will be demonstrated for each other and for the environment. Confidential information will be safeguarded. Participants will 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.
- **Accountability and Transparency** EAFWR will ensure that the Supply Chain Activities will be open and accountable. In particular, contracting and purchasing activities will be fair, transparent, socially conscious and conducted with a view to obtaining the best value for public money.
- **Compliance and Continuous Improvement** EAFWR will ensure that individuals involved with purchasing or other Supply Chain Activities will comply with this Code of Ethics and the laws of Canada and Ontario. EAFWR staff, volunteers and students involved will continuously work to improve supply chain policies and procedures, to improve its supply chain knowledge and skill levels, and to share leading practices.

### **PROCEDURES**

EAFWR will ensure that all contracts entered by, or in the name of Extend-A-Family Waterloo Region, will follow the requirements set forth in the Broader Public Sector (BPS) Procurement Directive.

## CONTRACTS AND CONSULTANT AGREEMENT GUIDELINES

All contracts over \$25,000 and all consultant agreements of any dollar value must be preceded by three bid quotes. All contracts over \$100,000 must be preceded by and result from a Request for Proposal (RFP). All contracts and consultant agreements must be consistent with EAFWR's mission, vision and values, conform to the Conflict of Interest Policy, and conform to all other applicable EAFWR policies.

## SEGREGATION OF DUTIES

To ensure the effectiveness of EAFWR's internal controls, there must be segregation of duties preventing any one individual from controlling the entire procurement process.

There are five procurement activities that require segregated approval by the following accountable parties

| Activity                    | Accountable Party                       |
|-----------------------------|-----------------------------------------|
| Requisition For Procurement | Team Member or Manager                  |
| Budgeting                   | Manger or Director                      |
| Commitment                  | Director                                |
| Receipt                     | Team Member receiving goods or services |
| Payment                     | Finance Coordinator                     |

## AUTHORITY TO SIGN CONTRACTS, CHEQUE REQUISITIONS AND CONSULTANT AGREEMENTS

The following thresholds and approval levels are required for the procurement of goods, services and consulting services:

| Goods, Non-Consulting Services and Construction |                                                             |                                   |                                                                         |
|-------------------------------------------------|-------------------------------------------------------------|-----------------------------------|-------------------------------------------------------------------------|
| Total Procurement Value                         | Means of Procurement                                        | Quotation                         | Approval Requirement                                                    |
| \$0 to \$999                                    | Cheque/EFT requisition or invoice<br>Commercial Credit Card | Single source or Vendor of Record | Manager +                                                               |
| \$1,000 to \$9,999                              | Cheque/EFT requisition or invoice                           | Single source or Vendor of Record | Director +                                                              |
| \$10,000 to \$24,999                            | Cheque/EFT requisition or invoice                           | Two written quotes                | Executive Director                                                      |
| \$25,000 to \$99,999                            | Request for Quotes<br>Request for Proposals                 | Three written quotes              | Executive Director with review by two Managers+                         |
| \$100,000 +                                     | Open Competitive<br>Request for Proposal                    | Open Competitive Process          | Executive Director with review by two members of the board of directors |
| Consulting Services                             |                                                             |                                   |                                                                         |
| \$0 to \$99,999                                 | Request for Quotes<br>Request for Proposals                 | Three written quotes              | Executive Director with review by two Managers+                         |
| \$100,000 +                                     | Request for Quotes<br>Request for Proposals                 | Open Competitive Process          | Executive Director with review by two members of the board of directors |
| Multi-Year Contracts                            |                                                             |                                   |                                                                         |

|                                                                                                         |                                             |                          |                                                 |
|---------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------|-------------------------------------------------|
| Annual value of less than \$10,000 and less than one year in duration or open ended with no exit fee    | Request for Quotes<br>Request for Proposals | Three written quotes     | Director +                                      |
| Lifetime value of less than \$121,000 and one to five years in duration, or open ended with an exit fee | Open Competitive<br>Request for Proposal    | Three written quotes     | Executive Director with review by two Managers+ |
| Lifetime value of more than \$121,000                                                                   | Open Competitive<br>Request for Proposal    | Open Competitive Process | Board Chair with review by Executive Director   |

#### **REQUIREMENTS FOR REQUESTS FOR PROPOSALS (RFPs)**

- Must outline, in detail, the requirements of EAFWR
- Must be posted publicly (website, social media), as well as shared through existing networks and suppliers
- Provide a minimum of 15 days for response time, if the proposal budget exceeds \$100,000
- Provide a minimum of 30 days for response time, if the project is of high complexity, risk or financial value
- Include a closing date that is a normal working day (Monday to Friday, excluding public holidays and )
- Include an evaluation matrix
- Posting and closing dates should aim to avoid cultural, public and religious holidays

#### **QUOTE AND/OR REQUEST FOR PROPOSAL EVALUATION CRITERIA**

Prior to issuing an RFP or requesting a quote, an evaluation criteria matrix shall be created by the person or people with the authority to make final recommendations. The evaluation criteria should address the following

- Total cost of ownership, including the price of product or service, taxes, required staff involvement, and other expenses
- Quality
- Quantity
- Transition costs
- Delivery
- Servicing
- Environmental considerations
- Experience
- Expertise
- Financial capacity of supplier to meet procurement requirements
- Positive social, environmental or community impact
- Values alignment

#### **LEVELS OF APPROVAL**

- Any purchase with a gross value greater than \$25,000 and not approved in the budget shall be reviewed and authorized by the Executive Director and forwarded to the Board of Directors for final approval.
- It is the responsibility of the individual with the signing authority involved in the purchase and reimbursement of goods and services to ensure compliance with this policy and procedure. The

Finance Department is responsible for verifying that the amount requested is supported by the required documents and that the signature is by the appropriate signing authority.

- The Manager or Director of the program/department the purchase is related to shall approve the requisition. If the amount is an unbudgeted expense, additional approval may be required. Only individuals with the appropriate level of authority are able to approve cheque requisitions and contracts.

### **CONTRACTS NOT PREVIOUSLY INCLUDED IN THE ANNUAL BUDGET**

All contracts and/or other expenditures up to \$25,000 for which prior budget approval has not been given will require a budget proposal to be prepared, reviewed by the Finance Department and submitted to the Executive Director for approval. Contracts and/or other expenditures that exceed \$25,000 must be reviewed by the Executive Director and forwarded to the Board of Directors for final approval.

### **UPON SELECTION OF AN RFP OVER \$100,000**

- For contracts over \$100,000, EAFWR must publicly post the name, agreement start and end date and extension options of the successful supplier
- For contracts over \$100,000, EAFWR must inform unsuccessful applicants about the status of the decision and offer an opportunity to debrief the evaluation matrix for their proposal. Suppliers have 60 calendar days to respond to the offer.

### **LOCATION OF ORIGINAL CONTRACTS**

A signed copy of all contracts that bind EAFWR must be provided to the Director of Operations for digital filing and storage.

A physical, signed copy where available will be filed with the Finance Department.

### **PURCHASE OF SERVICE CONTRACTS**

#### **Definition**

A “**purchase of service contract**” is a written agreement between EAFWR and an individual or organization in which specific services are to be provided. The following shall be apply to all contracts signed by EAFWR

- All purchases are within the approved budget.
- The Board of Directors authorizes the annual expenses for the agency by approving the annual budget.

### **RESPONSIBILITY**

#### **Prior to the commencement of any contract, EAFWR will ensure:**

- Contracts are entered into when there is an advantage to the agency by doing so.
- A full range of potential arrangements are investigated before entering into an exclusive contract.
- Legal assistance or advice is obtained if necessary for any non-standard clauses.
- All contracts entered into by the agency are reviewed and approved according to the authority and approval levels listed above.
- As best practice, contractors must provide proof of liability insurance and WSIB coverage where appropriate
- Each contract is dated and stored according to location of contract listed above.
- A completed copy of the final contract is made available to all other signatories.
- At least 3 months prior to the completion of the contract, the Executive Director or designate reviews and plans for the renewal or tendering of the contract following the above procedures.

### **Content of the Contract**

At a minimum each Purchase of Service Contract entered into by EAFWR shall provide the following information:

- The nature of the service
- Anticipated outcomes
- Reporting requirements
- Period of time covered by contract (no contract can be established in perpetuity)
- Invoicing procedure and payment schedule
- Termination and escape clause
- Table of content regarding negotiated work plan
- Name(s) of EAFWR staff who have been given authority to act on EAFWR's behalf in relation to the services provided and the service provider
- Description of monitoring process
- Confidentiality Agreement
- Warranty for completed services meeting the quality standards specified
- Allowable expenses per EAFWR's Expense policy.

#### **INFORMATION REQUIRED FOR PROPER PAYMENT AUTHORIZATION:**

All invoices must be reviewed and approved prior to payment by the staff authorized to sign.

Authorization is to include:

- **Date**- Date of request.
- **Completed by** – Name of the person completing the cheque requisition or invoice approval
- **Payable to** – The name and complete address of the payee.
- **Description** – Reason for payment cross-referenced to supporting details or documents and attached to the requisition.
- **Coding section** – The account code or codes to be debited and the corresponding amounts with taxes (PST and GST) identified separately for agency expenses
- **Amount** – Total amount of the cheque to be issued.
- **Approved by** – Requires authorized signature on purchase order (PO) or cheque requisition
- **Comments** – If the cheque is not to be directly routed to the payee then the appropriate routing instructions need to be reported in this space.
- **Date** – Signature date

#### **CONSISTENCY WITH ALL OTHER EAFWR POLICIES, PROCEDURES AND GUIDELINES**

A Purchase of Service contract must adhere to all other EAFWR policies, procedures and guidelines with respect to financial support, expense rules (hospitality and incidental expenses), levels of approval authority, levels of signing authority and location of originally signed contracts.

Hospitality, incidental or food expenses are not considered allowable expenses for consultants or contractors under the rules or in any contract between an organization and a consultant or contractor. They cannot be reimbursed for expenses such as meals, gratuities, or personal telephone calls.

#### **PROCUREMENT RECORD RETENTION**

EAFWR will handle, store and maintain vendor's confidential and communicational sensitive information in an appropriate and legal matter. EAFWR will conduct procurement activities according to the law in Ontario, including contract law, the law of competitive processes, privacy legislation, accessibility legislation and any other legislation as may be applicable.

EAFWR will also be subject to various trade agreements, including but not limited to the Agreement on Internal Trade (AIT), and the Ontario-Quebec Trade and Cooperation Agreement (Ontario-Quebec Agreement).

**EVALUATION AND REIEW**

This policy will be evaluated and reviewed annually by management

**RELATED POLICIES**

- EAFWR Conflict of Interest Policy
- EAFWR Standard of Conduct
- EAFWR Mission, Vision and Values

**REFERENCES**

- Procurement Guidelines for Publicly Funded Organizations in Ontario (2012, Ministry of Public and Business Service Delivery)
- Broader Public Sector Procurement Directive (2011, Management Board of Cabinet)