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Policy Title:

Procurement

1 POLICY

- 1.01 Goods and services for Surrey Place Centre (SPC) must be properly acquired at the best value and in a timely and orderly manner.
- 1.02 All expenditure or commitments for expenditure for goods and services whether of an operating or capital nature are governed by and are to be made in accordance with this policy.
- 1.03 The policy and its associated procedures set out standardized rules for competitive and non-competitive procurement and contract awarding. The rules balance numerous objectives, including accountability, transparency, risk management, value for money and ultimately, effective and high quality service delivery.
- 1.04 SPC complies with the requirements of the Management Board of Cabinet's Broader Public Sector Procurement Directive, 2011 and the Procurement Code of Ethics.

2 PURPOSE

- 2.01 The purpose of this Statement of Policy and Procedure is to support the vision, mission and operational activities of SPC with respect to the procurement of high quality, accessible goods and services:
 - a) At the best value through a process that is fair, open, consistent, transparent and accessible to qualified vendors;
 - b) From responsible environmentally conscious suppliers through a process that promotes equitable and ethical business practices and vendor relationships;
 - c) Through a competitive process in compliance with best procurement practices and legal requirements;
 - d) By utilizing purchasing agreements and co-operative purchasing contracts wherever feasible and appropriate;
 - e) In a collaborative, efficient and productive manner with SPC user departments;
 - f) Through specified responsibilities of individuals and organizations throughout each stage of the procurement process

3 SCOPE

3.01 This policy and its procedures apply to the procurement of all goods and services including consulting services and information technology required to meet SPC needs except those related to accounting, public relations, media relations and the retention of outside legal counsel.

4 RESPONSIBILITY

4.01 Senior Management (CEO, VPs, Directors, Managers) are responsible for:

- a) Entering into procurement agreements and contracts on behalf of SPC for the procurement of all goods and services required, according to approved policies and procedures;
- b) Monitoring of and compliance with all procurement related internal controls;
- c) SPC wide communication and education of all procurement policies and procedures;
- d) Monitoring and documentation of vendor performance, immediately addressing complaints about vendor performance and informing the Purchasing Clerk of vendor performance issues;
- e) Periodic review and update of all procurement policies and procedures;
- f) Establishing the appropriate internal controls related to all procurement processes and ensuring compliance with all controls;
- g) Documenting and seeking approval for any exemption from the mandatory requirements of this policy.

4.02 The Procurement Officer (Financial Analyst) is responsible for:

- a) Development, management and co-ordination of the procurement process;
- b) Monitoring all procurements to ensure compliance with the Broader Public Sector Procurement Directive, 2011;
- c) Assisting with targeted procurement planning during the annual budget process;
- d) Maintaining an up to date vendor of records (VOR) system;
- e) Procurement records retention.

4.03 The Purchasing Clerk is responsible for:

- a) Procuring goods and services required by SPC, with due consideration for quality, availability, price, service and efficiency;
- b) Assisting SPC programs or departments in establishing requirements of goods and services as well as the development of standards and specifications;
- c) Ensuring integrity of the procurement process and documentation;
- d) Providing a responsive, cost effective, centralized service to SPC staff

5 DEFINITIONS

5.01 **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.

- 5.02 **Consulting services** – the provision of expertise or strategic advice and related services for consideration and decision-making
- 5.03 **Goods and services** – any goods, construction and services, including but not limited to information technology and consulting services.
- 5.04 **Lifecycle cost** – the sum of all recurring and one-time costs over the full life span or a specified period of a good, service, structure or system. It includes purchase prices, installation costs, maintenance and upgrade costs.
- 5.05 **Request for Proposal Process** – a formal process involving a documented request of suppliers to submit written solutions and quotes for the delivery of complex products or services or to provide alternative options or solutions. It utilizes a predefined evaluation criteria and evaluation team to select a winning vendor in which price may not be the primary factor.

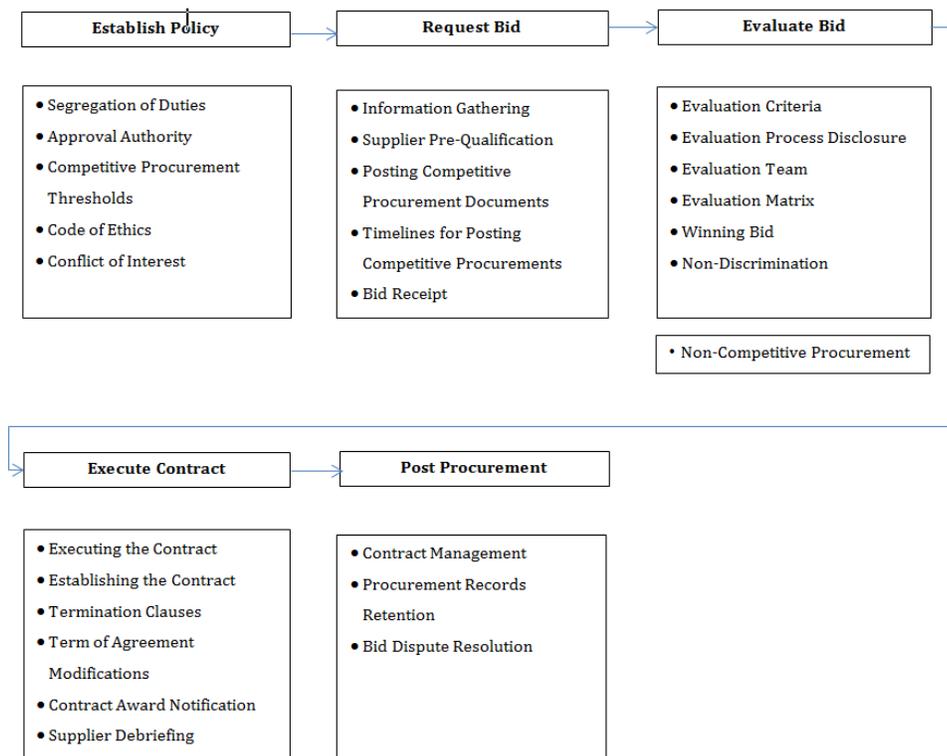
6 REFERENCES and RELATED STATEMENTS of POLICY and PROCEDURE

- Broader Public Sector Procurement Directive, 2011
- Broader Public sector Procurement Guidebook 2011

7 PROCEDURES

Mandatory Broader Public Sector Procurement Directive Requirements

- 7.01 The SPC Finance Department ensures that SPC complies with the mandatory requirements set forth by the Broader Public Sector Procurement Directive, 2011 in its procurement activities as summarized below:



Procurement Principles

- 7.02 All SPC staff are required to acquire goods and services in the most economical and efficient manner, through a process that adheres to the principles of:
- a) **Accountability** – SPC must be accountable for the results of its procurement decisions and the appropriateness of its procurement processes.
 - b) **Transparency** – SPC must be transparent to all stakeholders. Wherever possible, stakeholders must have equal access to information on procurement opportunities, processes and results.
 - c) **Value for Money** – SPC must 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 [lifecycle cost](#).
 - d) **Quality Service Delivery** – Front-line services must receive the right product, at the right time, in the right place.
 - e) **Process Standardization** – Standardized processes remove inefficiencies and create a level playing field.

Procurement Code of Ethics

- 7.03 All SPC staff are required to adhere to the Procurement Code of Ethics that defines acceptable behaviours and standards that must be common for everyone involved with procurement activities throughout every stage of the procurement process such as planning, purchasing, contracting and payment as follows:
- a) **Personal Integrity and Professionalism** – All individuals involved with procurement activities must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all procurement within and between SPC, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. All participants must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favors, providing preferential treatment or publicly endorsing suppliers or products
 - b) **Accountability and Transparency** – Procurement activities must be open and accountable. In particular, contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for public money. All participants must ensure that public sector resources are used in a responsible, efficient and effective manner.
 - c) **Compliance and Continuous Improvement** – All individuals involved in procurement activities must comply with this code of ethics and the laws of Canada and Ontario. All individuals should continuously work to improve procurement policies and procedures, to improve their procurement knowledge and skill levels and share leading practices.

Conflict of Interest

- 7.04 A conflict of interest occurs when an employee's professional actions or decisions are, or seem to be, compromised by consideration of personal gain.
- 7.05 To avoid actual and perceived conflicts of interest in purchasing and procurement, SPC staff must adhere to the following guidelines regarding purchasing and procurement:
- a) Wherever practical, purchasing decisions shall be made based on competitive bidding by using the pre-established bidding process;
 - b) Employees will not attempt to influence, directly or indirectly, the relationship between SPC and a supplier for personal gain;
 - c) Employees will not disclose confidential purchasing information to any supplier during a tendering process;
 - d) Employees will not only avoid actual but also perceived conflicts of interest in the process of making decisions on purchasing and procurement;
 - e) Employees will not seek or accept gratuities, or anything of value given which could influence the decision of purchase;
 - f) SPC will purchase goods and services from an employee or any employee's immediate family, domestic partner or a business in which an employee or his/ her immediate family or his/ her domestic partner holds a substantial financial interest, if and only if the decision maker to purchase such goods and services is an employee with no conflict of interest in the purchase and not subordinate to the employee with the conflict of interest.

Segregation of Duties

- 7.06 Segregation of duties, across functions and individuals, is an essential control that ensures integrity of the procurement process by reducing exposure to inappropriate, unauthorized or unlawful expenditures. It prevents any person from controlling the entire procurement process by segregating approvals and roles for budgeting, requisitioning, commitments, receipt and payment. All SPC staff must be vigilant in ensuring responsibilities for each of these are with different personnel, programs or departments

Initiating Procurements

- 7.07 Each program or department is responsible for identifying its needs, defining its requirements and ensuring the availability of funds using the electronic Purchase Requisition or Procurement Requisition Form.
- 7.08 The Purchase Requisition or Procurement Requisition Form must be fully completed with cost centre and account number and reviewed and approved by the appropriate level of authority as per the [Approval Authorization Schedule](#).
- 7.09 The approved Procurement Requisition Form must be submitted to the [Procurement Officer](#) and the Purchasing Clerk for procurement records retention and coordination of appropriate quotes per the [Approval Authorization Schedule](#).

Approval of Procurements

- 7.10 The SPC Board of Directors, by board motion, delegates financial authority and approvals to job roles and ensures that authority and approval levels correspond to job roles commensurate with the responsibility level for the position.
- 7.11 All goods and services must be purchased within each program or department's approved budget and are subject to authorization and approval as per the Approval Authorization Schedule as follows:

Goods and Non-Consulting Services			
Amount	Approval Authority	Procedure	Responses
\$0 to \$20	Manager or Supervisor	Petty Cash	None
\$0 to \$2,999	Manager or Supervisor	Visa Card or Purchase Requisition	None
\$3,000 to \$9,999	Manager and Supervisor	Procurement Requisition and Purchase Order	1 written response
\$10,000 to \$49,999	Director and Vice President	Procurement Requisition and Purchase Order	3 written responses
\$50,000 to \$99,999	CEO	Procurement Requisition and Purchase Order	3 written responses
\$100,000 or more	CEO and Board	Request for proposal (RFP)	RFP - 1 written response

Consulting Services <i>(provision of expert or strategic advice and related services for consideration and decision-making)</i>			
Amount	Approval Authority	Procedure	Responses
\$0 to \$9,999	Manager and Supervisor	Procurement Requisition and Purchase Order	3 written responses
\$10,000 to \$49,999	Director and Vice President	Procurement Requisition and Purchase Order	3 written responses
\$50,000 to \$99,999	CEO	Procurement Requisition and Purchase Order	3 written responses
\$100,000 or more	CEO and Board Executive	Request for proposal	RFP - 1 written response

Exemption-Based Only, Non-Competitive Procurement			
Amount	Approval Authority	Procedure	Responses
\$0 to \$99,999	CEO	Sole sourced	1 response
\$100,000 or more	CEO and Board	Sole sourced	1 response

Receipt of Quotes and Confirming Procurements

- 7.12 In accordance with the Approval Authorization Schedule above, the procurer is required to work with the Procurement Officer and Purchasing Clerk to secure and retain:
- a) The appropriate number of quotes
 - b) Select the appropriate vendor based primarily on the lowest cost or best value for money
 - c) Document the rationale for selection of the winning vendor
- 7.13 The Purchasing Clerk will work with the procurer utilizing the approved Procurement Requisition to create a Purchase Order to confirm procurements for:

- a) Goods and non-consulting services greater than \$2,999 and less than \$100,000
 - b) Consulting services less than \$100,000
- 7.14 The procurer will work with the Procurement Officer to create a formal Request for Proposal for all procurements of \$100,000 or more. The [Request for Proposal Process](#) will comply with the requirements of the Broader Public Sector Procurement Directive, 2011.

Exemptions from Competitive Procurement Procedures

- 7.15 A procurer requesting an exemption from competitive procurement procedures is required to work with the Procurement Officer to note the reason for the requested exemption on the electronic Procurement Requisition and seek approval of the Chief Executive Officer.
- 7.16 The Chief Executive Officer may approve an exemption under one or more of the following situations:
- a) Real estate acquisitions and leasing agreements;
 - b) Services provided by Licenced Professionals such as Medical Doctors, Psychologists, Engineers, Architects, Certified Public Accountants and Lawyers;
 - c) Only one consultant has the unique qualifications or experience required to perform a specific task;
 - d) Unforeseen situations of an urgent or emergency nature;
 - e) Confidential tasks for which it is inappropriate to solicit proposals from a number of sources;
 - f) A task is a follow-up from a previous task performed; or
 - g) The vendor is transferred from another agency to continue an unfinished project
- 7.17 Should there be a question about whether the proposed vendor could be viewed as an employee versus a third party vendor, the procurer is required to work with the Procurement Officer to complete the Purchase of Service Agreement form for review and approval by Human Resources.
- 7.18 Once all approvals have been completed, the procurer is required to work with the Procurement Officer to create a Purchase of Service Agreement Contract with the vendor and Human Resources.

Receipt of Goods and Services and Processing of Payments to Vendors

- 7.19 Upon receipt of goods or completion of services, the procurer or Purchasing Clerk is required to forward all appropriately approved supporting documents to the Accounting Clerk for processing, inclusive of Purchase or Procurement Requisition, Purchase Order, Receiving Documents and Vendor Invoice along with appropriate cost centre and department coding on the invoice.
- 7.20 The Accounting Clerk will review and verify all documents and approvals or seek appropriate clarifications or further documentation as needed to ensure compliance with this policy before processing payment.

8 Attachments

- Procurement Map
- Purchase Requisition Form

- Procurement Requisition Form
- Purchase of Service Agreement Form
- Purchase of Service Agreement Contract