 <p>The Children's Aid Society of Hamilton</p>	<p>SECTION: Purchasing</p> <p>SUBJECT: Open Competitive Vendor Selection and Procurement</p>	<p>POLICY APPROVED BY: Board of Directors</p> <p>DATE: April 1, 2016</p> <p>SUPERCEDES: November 25, 2011</p>
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1. Policy Purpose

The Board of Directors has approved a Governing Policy for Competitive and Non Competitive Procurement. The purpose of this Managing Policy is to provide specific requirements and practices for open competitive vendor selection and procurement. The intent of this policy is to ensure publicly funded goods and services, including construction, consulting services and information technology are acquired through a process that is open, fair and transparent.

2. Stewardship

This policy is developed and administered by the Finance & Property Committee of the Board.

3. Definitions


In this policy, word and expressions have the following meanings:

1. "Board" means the Board of Directors of the Children's Aid Society of Hamilton.
2. "Society" means the Children's Aid Society of Hamilton.
3. "Director F&A" means the Director Finance & Administration of the Children's Aid Society of Hamilton.
4. "E.D." means the Executive Director of the Children's Aid Society of Hamilton
5. "Procuring" is the process of purchasing, renting, leasing or otherwise acquiring any goods or services.
6. "Goods" includes supplies, equipment, materials structures, to be delivered, installed or constructed.
7. "Services" means all construction, maintenance and professional services, including lawyers, accountants, engineers, designers, software experts.
8. "Consulting Services" means expert, strategic advice and related services, provided under an agreement other than an employment agreement for the purposes of strategic decision making.
9. "Open Competitive Procurement" is the process of advertising available supply opportunities to qualified Canadian suppliers through a readily accessible electronic tendering system.
10. "Request for Expressions of Interest (RFEI)" means a document used to gather information on supplier interest. This mechanism may be used to gain a better understanding of the capacity of the supplier community to provide the services or solutions needed.
11. "Request for Information (RFI)" means a document issued to potential suppliers to gather general supplier, service or product information.
12. "Request for Proposal (RFP)" means a document used to request suppliers to supply solutions for the delivery of complex products or services or to provide alternative options or solutions. It is a process that uses predefined evaluation criteria in which price is not the only factor.

4. Policy

An open competitive procurement process must be conducted according to the thresholds established in the Governing Policy for Competitive and Non Competitive Procurement. For clarity, an estimated procurement value of Goods and Non-Consulting Services of \$100,000 or more or an estimated procurement value of Consulting Services of \$100,000 or more requires an open competitive procurement process. Features of an open competitive procurement process include, but are not limited to the following:

- information gathering and supplier pre-qualification,
- preparation and distribution of a proposal document
- evaluation of responses
- contract award notification

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- contract establishment and management

Information Gathering

Supplier or product research may be conducted informally or formally by distributing a Request for Information (RFI) or Request for Expression of Interest (RFEI). A response to an RFI or RFEI may not be used to pre-qualify a potential supplier nor should it give the respondent any advantage in any resulting procurement opportunity.

A Request for Supplier Qualification (RFSQ) may be used 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. The RFSQ document must specifically deny any obligation on the part of the Children's Aid Society of Hamilton to call on any supplier to provide goods or services as a result of a pre-qualification.

Preparation and Distribution of the Proposal Document

To select a supplier using an open competitive process, a request for proposal process is to be followed. This process will include the following mandatory elements.

1. A comprehensive document ie. Request for Proposal (RFP), Request for Quotation (RFQ), Request for Tender (RFT) must be prepared that provides sufficient and complete information to enable potential suppliers to respond.
2. The procurement opportunity must be advertised through an electronic tendering system that is readily accessible by all Canadian suppliers.
3. Proponents must be given a minimum response time of 15 calendar days. For procurements of high complexity, risk and/or dollar value a response time of 30 calendar days is suggested.
4. The bid submission date and closing time must be during normal working hours ie. Monday to Friday, excluding statutory holidays and must be clearly stated in the procurement documents. Submissions that are delivered after the closing time must be returned unopened.
5. The procurement documents must clearly outline the criteria that will be used to evaluate the submissions, including the weight of each criterion. In addition, the documents must disclose the evaluation methodology and process that will be used in assessing submissions and responses, including the method of resolving tie scores.
6. The procurement document must state that submissions that do not meet the mandatory criteria will be disqualified.
7. To ensure that any dispute is handled in an ethical, fair, reasonable and timely fashion, competitive procurement documents must outline bid dispute resolution procedures.

Evaluation of Responses

A team of at least 3 Society staff/Board Members will be used to evaluate the bids and decide on the successful bidder. Each bid is to be evaluated candidly by each of the three individuals and then a



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consensus arrived at. The three staff/Board members who are selected for this review should be familiar with both the Society's needs and with the goods or services being sought.

1. Each evaluation team member must sign a conflict of interest declaration and a non-disclosure of confidential information agreement.
2. Each evaluation team member must complete an evaluation matrix, rating each of the submissions. These matrices will be retained for audit purposes.

Responses will be evaluated according to the criteria and point weightings below:

Rated Criteria	Weighting (Points)
<p><u>Vendor Experience and Qualifications</u></p> <p>Vendor's ability and commitment to meeting the requirements of the RFP and to delivering the proposed solutions and services. The personnel of the Vendor proposed and their respective qualifications. The commitment of the Vendor to continuous improvements.</p>	25
<p><u>Organizational Capacity</u></p> <p>Business and cultural qualities of the Vendor including Vendor communications with customers, Vendor responsiveness, Vendor office proximity, Vendor reporting to track controls and performance, financial and organizational stability. The perceived capabilities of the Vendor to implement the proposed program and to meet timeline requirements.</p>	15
<p><u>Proposed Approach/Methodology</u></p> <p>Vendor's ability to maintain and improve CAS Hamilton's current service levels, to consistently provide prompt, responsive and high quality service, and to provide flexible service options.</p>	25
<p><u>Price</u></p> <p>The cost of services including the Vendor's time and material rates. Incremental savings or benefits achieved through value added services provided by the Vendor directly relating to the requirements in the RFP.</p>	35
<p><u>Total</u></p>	100


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Contract Award Notification

1. The submission that receives the highest evaluation score and meets all mandatory requirements set out in the procurement document must be declared the winning bid.
2. A notification of contract award listing the name of the successful supplier, agreement start and end dates, and any extension options must be posted in the same manner as the original procurement documents were posted.
3. Unsuccessful proponents must be informed of their entitlement to a debriefing and must make this request within 60 calendar days following the date of the contract award notification.

Contract Establishment and Management

1. An agreement with the successful proponent must be formally defined in a signed written contract before the provision of supplying goods or services commences. Where the need for these goods or services is immediate an interim purchase order may be used. The rationale for this step must be documented and retained.
2. All contracts established with suppliers must specify a period for the contract and any extension options. These terms must be specifically set out in the procurement documents. The maximum term is to not be more than 5 years with a proviso that such contract may have two extensions each for a further two years (maximum of 9 years).
3. The contract must specify the services, the fees, and must also include exit provisions in the event that service is unacceptable to the Society but must provide sufficient time for the Society to find an alternate supplier.
4. On an annual basis, there is to be an assessment by a team of the users of the goods or services of the performance of the supplier and the goods and services provided and the cost of the service in relation to the performance. This annual assessment is to be fully documented and filed in the procurement file.
5. Where performance of the supplier is rated as unsatisfactory, there is to be a meeting with the supplier, the performance discussed and actions agreed on rectifying the services and the timeframe within which the supplier must achieve improvement. At the end of the time period for improvement, a follow up assessment is to be performed by the team and the results communicated to the supplier. If improvement is not achieved, this will be communicated to the supplier and the exit provisions of the contract enacted.
6. At the end of the initial term contract, a formal performance evaluation will be conducted reviewing the cumulative annual assessments. This formal evaluation will be used as the basis to decide if the contract should be extended for a further two years or if the supplier is to be advised that the contract is not going to be extended. This process is to be repeated at the end of the first extension if applicable.
7. Prior to the completion of the contract (whether it be a 5,7 or 9 year relationship), an RFP process should commence at least six months prior to the expiration of the contract.
8. No supplier relationship can continue past 9 years without being re-tendered. The same supplier can be engaged but only after a fully complete, transparent, and candid open competitive procurement and evaluation process is conducted.

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5. Effect on Prior Policies

The effective date of this policy is referenced above. Any prior policies regarding purchasing and other matters dealt with in this policy are hereby superseded. This policy shall have no effect on purchases made or contracts executed prior to the date this Policy is approved.

6. Other Reference

For additional direction, staff are to refer to other affiliated policies including but not limited to:

- Governing Policy for Purchasing Goods and Services
- Managing Policy for Delegated Authorities for Procurement
- Managing Policy for Competitive and Non Competitive Procurement