 <p>The Children's Aid Society of Hamilton</p>	<p>SECTION: Purchasing</p> <p>SUBJECT: Purchasing Goods and Services (Governing Policy)</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 purpose of this policy is to establish the broad framework that governs procurement activities for the Children's Aid Society of Hamilton. It is required that the management level policies and procedures developed for specific procurement activities reflect the principles of this governing policy.

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.

4. Scope

The provisions of this policy apply to any person in the Society involved in procurement activities including the following:


1. Board Members and appointees,
2. employees and volunteers,
3. consultants and contractors engaged by the Society

5. Policy

Objectives to be pursued when undertaking any purchasing for the Society's operations include:

- Being economical in the use of funds – procuring quality and quantity of goods and services in an efficient, timely and cost effective manner
- Maximizing value for money – procuring quality of goods and services for effective price
- Conducting procurement with fair and equitable treatment of all suppliers
- Exercising sound financial management for sustainability of the Society
- Honouring transparency and accountability to our funders.

The Society recognizes that it is public funds and donor based funding used in fulfilling its mandate. This establishes a high standard for maximizing the economics of purchasing decisions with a view to the sustainability of the Society. This also establishes a high standard for being transparent on the decisions made and transactions conducted in the use of these funds and the need to be free of conflict when making such decisions. It is also imperative that the use of funds is solely dedicated to the business of the Society and there is no personal gain achieved by Board members, officers, and employees of the Society and that there are no complicit actions to allow a supplier to gain inappropriately by the Society's actions or inaction.

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Purchasing practices that the Society will adhere to include the following:

- i. Total cost information – Total lifecycle costs and benefits associated with a product or service to the Society will be analyzed in the procurement process. Total life cycle costs include the direct purchase price, maintenance and administration of the relationship. For capital assets, the total costs will include the direct purchase price, costs of servicing, warranty costs, transportation, storage and financing costs. Recognition of benefits will include any incremental or intangible benefits received from a superior product or service.
- ii. The ability or willingness of a supplier to work with the Society to mitigate environmental/conservation concerns (e.g. elimination of unnecessary packaging) will be considered a benefit. These must however have some form of quantitative or qualitative measurement.
- iii. No artificial subdivision of costs or contracts – The Society will not permit the artificially subdividing of projects, procurement, or contracts to avoid the requirements of this policy.
- iv. Ethical Code of Conduct – The Society will operate with a high degree of integrity to do what is honest, fair and trustworthy in procurement decisions. All provincial and federal laws will be complied with. Suppliers will be treated with respect and be dealt with in a fair and unbiased manner. All quotation, pricing and confidential information will be treated with respect. Gift or favours of material value will not be accepted by Society personnel or be tolerated in our supplier community.
- v. Conflict of Interest – It is required that the Society's procurement is conducted free of any conflict of interest. This means that it is required that staff make purchasing decisions solely in the best interest of the Society and will avoid any conflict of interest in such decisions. Further, this requires that all service providers and suppliers to the Society will be required to identify any conflicts of interest at the time of tender and throughout the course of providing service and goods to the Society.
- vi. Health and Safety – It is required that health and safety considerations be incorporated into the procurement process. The Society will ensure that all purchases meet relevant Health and Safety requirements including but not limited to Sections 25 (1) (a) and 31 (1) of the *Occupational Health and Safety Act*.
- vii. Quality – Quality is a requirement of our suppliers. The costs and benefits of procurement will be identified and analyzed to determine the relevant value propositions. It is expected that continuous improvement in the good or service or delivery of same will be sought from the supplier relationship.
- viii. Planning – Goods and services are to be acquired after due consideration of the true needs for the goods and services, consideration of alternatives, the appropriate timing of the purchase, and consideration of the Society's supply strategy and financial parameters.

6. Practice

1. Vendor Solicitation

Vendors will be selected by a non-competitive, competitive invitational or open competitive process

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according to the threshold established in:

- i. Delegated Authorities for Procurement
- ii. Competitive Procurement

Non-competitive Vendor Selection

Where the threshold permits Non-competitive Vendor Selection, the purchaser can acquire the item from the most convenient and reliable source. For purchases less than \$100, the authorized and retained purchase requisition is considered sufficient documentation for payment. For purchases greater than \$100, a Purchase Order must be used.

Invitational Competitive Vendor Selection

Where an Invitational Competitive Vendor Selection process is indicated, at least three comparative prices for the goods or services are to be obtained through any of the following means: written quotations, catalog or web pricing, internet bids. Where catalog or web pricing is relied upon, a copy of the pages must be made and retained in the purchase file. In rare circumstances a telephone quote is acceptable; however, all vendor and pricing information received in the telephone quote as well as the reasons for the non-written approach must be recorded and retained in the purchase file.

Open Competitive Vendor Selection


An Open Competitive Vendor Selection Process is used to ensure organizations maximize the value received from the use of public funds for procurement activities by providing wide and equal access to information on procurement opportunities, processes and results, to all stakeholders. Open competitive processes are generally conducted using a Request for Proposal (RFP) or other vehicle eg. Request for Quotation(RFQ) or Request for Tender.

A separate Managing Policy for Open Competitive Vendor Selection and Procurement sets out the practice and procedures to be utilized.

2. Financing

Where procurement of a good or service requires it to be financed through debt or leasing arrangements, there must be a process to ensure that the most prudent financing mechanism is selected with the intent to achieve the most cost effective financing method while also balancing cash flow and Ministry directives. The process will include:

- i. The Director F&A is to be fully apprised and informed on the item to be purchased by the person managing the purchase.
- ii. The Director F&A will obtain three quotes from potential lending or finance institutions along with conditions for the provision of the financing need.
- iii. The Director F&A will prepare an analysis and summary of the options and quotes on the financing and make a recommendation on which institution's arrangement is preferred based on a combination of

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costs over the term of the arrangement, flexibility of the arrangement, cash flow impact, and other conditions of the arrangement.

iv. The Director F&A's recommendation is to be presented to the Finance & Property Committee for consideration and approval or rejection.

3. Segregation of Duties

It is an expectation that there will be appropriate segregation of duties in at least three of the five procurement roles: Requisition, Budgeting, Commitment, Receipt and Payment. Additionally it must be ensured that those who are selecting the supplier are not also singularly approving the item for payment, signing the cheque (or electronic payment), and recording the transaction in the Society's books of accounts.


4. Documentation

- It is important to maintain documentation for accountability purposes. The following documentation is required for purchases and is required to be maintained on file for no less than seven (7) years:
 - i. for non-competitive procurement greater than \$100.00 and for invitational competitive procurement, this will be in the form of a Purchase Order with authorized requisition and bid responses appended.
 - ii. for open competitive procurement, this will be in the form of agreement that was released with the procurement documents, eg. Request for Proposal, Request for Quotation, Request for Tender and proponent responses
 - iii. contracts for entering into the supply agreement
 - iv. the evaluation of responses to requests for proposals, quotations or tenders along with documentation on results of reference checking of potential suppliers
 - v. evaluation of contracts at the end of each contract term
 - vi. negotiation documentation
 - vii. invoices with sufficient documentation to identify goods and services delivered and time of such delivery.
- The confidentiality and commercial sensitivity of proponent/supplier information received as the result of a procurement process will be respected.

7. **Management Responsibilities**

Management is expected to develop the necessary management level policies and procedures to provide for full compliance with this policy. Such management level policy(ies) is to include but not be limited to:

- Planning for Acquisition – Ensure that appropriate procedures are in place that will ensure that planning requirements are addressed and documented for all procurement to create an environment where

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effective use of financial and personnel resources is considered on an ongoing basis and that appreciation for public accountability is demonstrated.

- Procurement Practices – Ensure that adequate controls are in place such that the acquisition of goods and services are approved appropriately, that only goods and services for the benefit of the Society are acquired, that authorized goods and services are received, that payments to suppliers are only for authorized and received goods and services.
- Conflict of Interest – Ensure that the purchase of goods is conducted in such a manner, and without conflict of interest, so as to eliminate any possibility or appearance of improper business relationships by staff and by prospective and current suppliers of goods and services.
- Health and Safety – Ensure that an efficient, cost-effective and consistent process for identifying and addressing potential health, safety and ergonomic risk factors prior to the acquisition of products and services is developed.
- Vendor Selection – Ensure that the selection of suppliers and the acquisition of goods and services are consistent with the Governing Policy.
- Segregation of Duties and Clarity of Responsibility – Ensure that the person authorizing the purchase is not also the person authorizing the payment. Also establish procedures to ensure that there is clarity as to what the responsibilities of the procurer are and those of the purchasing clerk and of the accounts payable department.


8. Governance Responsibility for Oversight

The responsibility of the Board of Directors with respect to this Governing Policy is:

- Ensure the Board is fully aware and understands the policy for purchasing goods and services by reviewing and updating this policy every five years.
- The Finance & Property Committee is delegated responsibility for updating the policy as required and bringing a recommendation to the Board regarding any changes thereto.
- Deal with any breaches to this policy including termination of individuals.
- Make reasonable enquiries to gain assurance that purchasing has followed the policy.
- The Board is responsible for handling any complaints from bidders or suppliers regarding unfair business practices or behaviours by Society Board Members and staff.

9. 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.

 <p>The Children's Aid Society of Hamilton</p>	<p>SECTION: Purchasing</p> <p>SUBJECT: Purchasing Goods and Services (Governing Policy)</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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Other Reference

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

- Governing and Managing Policies for Delegated Authorities for Obligations and Payments
- Managing Policy for Delegated Authorities for Procurement

 <p>The Children's Aid Society of Hamilton</p>	<p>SECTION: Procurement</p> <p>SUBJECT: Code of Ethics and Conflict of Interest</p>	<p>POLICY APPROVED BY: Board of Directors</p> <p>DATE: November 25, 2011 REVIEWED: April 1, 2016 SUPERCEDES:</p>
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1. Policy Purpose

The Board of Directors has approved a Governing Policy for Purchasing Goods and Services which establishes Ethical Code of Conduct and Conflict of Interest objectives for procurement activities. The purpose of this managing policy is to:

- i. provide further direction for staff to facilitate compliance with the Governing Policy
- ii. to adopt specifically, the Ontario Broader Public Sector (BPS) Supply Chain Code of Ethics

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. "Supply Chain Activities" means all activities that are directly or indirectly related to organizational procurement including planning, sourcing, acquiring and payment.

4. Scope


The provisions of this policy apply to any person in the Society who has been granted authority for procurement activities by either or both of, *Delegated Authorities for Obligations and Payments* and/or *Delegated Authorities for Procurement* including the following:

1. Board Members and appointees,
2. employees and volunteers
3. consultants and contractors engaged by the Society

5. Policy

Ethical Code of Conduct – The Society will operate with a high degree of integrity to do what is honest, fair and trustworthy in procurement decisions. All provincial and federal laws will be complied with. Suppliers will be treated with respect and be dealt with in a fair and unbiased manner. All quotation, pricing and confidential information will be treated with respect. Gift or favours of material value will not be accepted by Society personnel or be tolerated in our supplier community.

Conflict of Interest – It is required that the Society's procurement is conducted free of any conflict of interest. This means that it is required that staff make purchasing decisions solely in the best interest of the Society and will avoid any conflict of interest in such decisions. Further, this requires that all service providers and suppliers to the Society will be required to identify any conflicts of interest at the time of tender and throughout the course of providing service and goods to the Society.

 <p>The Children's Aid Society of Hamilton</p>	<p>SECTION: Procurement</p> <p>SUBJECT: Code of Ethics and Conflict of Interest</p>	<p>POLICY APPROVED BY: Board of Directors</p> <p>DATE: November 25, 2011 REVIEWED: April 1, 2016 SUPERCEDES:</p>
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Ontario Broader Public Sector (BPS) Supply Chain Code of Ethics

Goal: To ensure an ethical, professional and accountable BPS supply chain.

I. Personal Integrity and Professionalism

Individuals involved with Supply Chain Activities must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all Supply Chain Activities within and between BPS organizations, suppliers and other stakeholders. 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.

II. Accountability and Transparency

Supply Chain 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.

III. Compliance and Continuous Improvement


Individuals involved with purchasing or other Supply Chain Activities must comply with this Code of Ethics and the laws of Canada and Ontario. Individuals should continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading practices.

6. Reference

The Society's *Code of Ethics* identifies and establishes the principles of conduct that govern the actions of individuals within the Society. This policy is intended to supplement those guidelines already in place with procurement specific standards.

7. Practice

1. Staff must not have a pecuniary interest, either directly or indirectly, in any contract with suppliers to the Society.
2. Staff who have been delegated the authority to purchase and/or commit funds shall:
 - Not use their authority for personal gain and shall seek to conduct themselves with high regard for business ethics and the protection of the reputation of the Society
 - Be free of interests or relationships which are actually or potentially unfriendly or detrimental to the best interests of the Society
 - Not purchase any goods or services from an employee or close relative of an employee without the prior consent of the Director F&A.
3. Staff who are involved in purchasing are expected to adhere to the following:

 <p>The Children's Aid Society of Hamilton</p>	<p>SECTION: Procurement</p> <p>SUBJECT: Code of Ethics and Conflict of Interest</p>	<p>POLICY APPROVED BY: Board of Directors</p> <p>DATE: November 25, 2011 REVIEWED: April 1, 2016 SUPERCEDES:</p>
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- Open and honest dealings with everyone who is involved in the purchasing process – this includes all businesses and people with which the Society contracts or from which it purchases goods and/or services, as well as members of Society staff.
 - Fair and impartial award recommendation for all contracts – this means that staff are not to extend preferential treatment to any supplier. Preferential treatment is not good business practice since it limits fair and open competition for all vendors and is therefore a detriment to obtaining the best possible value for each dollar.
 - An irreproachable standard of personal integrity on the part of purchasers and others in the purchasing process – Absolutely no gifts or favours can be accepted by purchasers and others in the purchasing process. Also the purchasers and others cannot publicly endorse any one supplier in order to give that supplier an advantage over others.
 - Cooperate with other public agencies when buying – The use of cooperative purchasing should be pursued to obtain the greatest advantage for the Society.
4. The purchaser must determine if there is any conflict of interest by a potential or current provider of goods/services. This will be captured through obtaining from a current or potential vendor, their assertion and certification as to their freedom from conflict. Every request for proposal, contract, and establishment of supplier relationship with the Society will seek information with respect to conflicts from the supplier and will specify that the Society has the right to determine if there is a conflict of interest and the action that will be taken in the event there is a conflict.
5. It is expected that only vendors will be selected that meet the minimum criteria as follows:
- Have not violated the trust and resources of the Society in past dealings
 - Are known to be a fair, equitable and trustworthy organization
 - Have the capability to provide the goods or services as and when needed by the Society
 - Have satisfactory references from other companies to which the vendor delivers
 - Are not unduly reliant on the Society for its financial health.


8. 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.

9. 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
- Governing and Managing Policies for Delegated Authorities for Obligations and Payments
- Managing Policy for Delegated Authorities for Procurement

 <p>The Children's Aid Society of Hamilton</p>	<p>SECTION: Procurement</p> <p>SUBJECT: Delegated Authorities for Procurement (Managing Policy)</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 has approved a Governing policy for Delegated Authorities for Obligations and Payments. The purpose of this managing policy is to specifically align these authorities with procurement activities and processes.

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. "Competitive Procurement" means a set of procedures for developing a procurement contract through a bidding or proposal process. The intent is to solicit fair, impartial, competitive bids.
10. "Invitational Competitive Procurement" means any form of requesting a minimum of (3) qualified suppliers to submit a written proposal in response to the defined requirements outlined by an individual/organization.
11. "Open Competitive Procurement" is the process advertising available supply opportunities to qualified Canadian suppliers through a readily accessible electronic tendering system.

4. Policy

The authority to initiate purchases on behalf of the Society is restricted to the Executive Director and to Department Directors, Managers and Unit/Administrative Supervisors or equivalent. The Governing and Managing Policies *Delegated Authorities for Obligations and Payments* establish and define

- i. the limits of authority delegated to the Executive Director and to management,
- ii. the types and maximum amount of obligations that may be approved, and
- iii. the mechanisms to be in place to provide for integrity of such processes.

The following charts specify procurement limits by Designated Authority levels and prescribe mandatory solicitation and procurement modes for the procurement of Goods and Non-Consulting Services and for Consulting Services.



The Children's Aid Society
of Hamilton

SECTION: Procurement

SUBJECT: Delegated Authorities for
Procurement
(Managing Policy)

**POLICY
APPROVED
BY:** Board of Directors

DATE: April 1, 2016

SUPERCEDES: November 25,
2011


Goods and Non-Consulting Services

Total Procurement Value	Required Approval	Required Solicitation	Means of Procurement
\$0 up to but not including \$100	Unit/Administrative Supervisor	N/A	Petty Cash
\$100 up to but not including \$1,000	Unit/Administrative Supervisor	N/A	Purchase Order
\$1,000 up to but not including \$5,000	Manager	N/A	Purchase Order
\$5,000 up to but not including \$10,000	Department Director	N/A	Purchase Order
\$10,000 up to but not including \$100,000	Executive Director	Invitational Competitive	Purchase Order
\$100,000 or more	Executive Director	Open Competitive	Request for Proposal/Tender

Consulting Services

Total Procurement Value	Required Approval	Required Solicitation	Means of Procurement
\$0 up to but not including \$5,000	Manager	Invitational Competitive	Purchase Order
\$5,000 up to but not including \$10,000	Department Director	Invitational Competitive	Contract
\$10,000 up to but not including \$100,000	Executive Director	Invitational Competitive	Contract
\$100,000 or more	Executive Director	Open Competitive	Request for Proposal/Tender

The Finance and Administration Department is responsible for processing purchase orders. The Director of Finance and Administration has approval authority over all purchases and contractual commitments and shall

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make the final determination on any proposed purchases where budgetary or other conditions may result in denial.

5. Value of Procurement

- i. When determining the value of procurement for approval and procurement mode purposes as outlined in this policy, applicable sales taxes should not be taken into consideration.
- ii. For contracts, the value of procurement for approval and solicitation purposes is the total of the estimated annual spend/buy for each year of the contract term including all base term extension options.


6. 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.

7. 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
- Governing and Managing Policies for Delegated Authorities for Obligations and Payments
- Managing Policy for Competitive and Non Competitive Procurement
- Managing Policy for Open Competitive Vendor Selection and Procurement

 <p>The Children's Aid Society of Hamilton</p>	<p>SECTION: Purchasing</p> <p>SUBJECT: Competitive and Non Competitive 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

This policy sets out the thresholds for Non Competitive and Competitive procurement and describes situations where a procurement may be exempt from the competitive requirement.

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. "Competitive Procurement" means a set of procedures for developing a procurement contract through a bidding or proposal process. The intent is to solicit fair, impartial, competitive bids.
10. "Invitational Competitive Procurement" means any form of requesting a minimum of (3) qualified suppliers to submit a written proposal in response to the defined requirements outlined by an individual/organization.
11. "Open Competitive Procurement" is the process advertising available supply opportunities to qualified Canadian suppliers through a readily accessible electronic tendering system.

4. Policy


1. Goods and Non Consulting Services

- Low dollar items, ie. less than \$10,000, may be acquired from the most convenient and reliable source.
- An Invitational Competitive procurement process must be conducted where the estimated value of procurement of Goods and Non-Consulting Services is \$10,000 or more.
- An Open Competitive procurement process must be conducted where the estimated value of procurement of Goods and Non-Consulting Services is \$100,000 or more.

2. Consulting Services

A Competitive process must be conducted for the procurement of Consulting Services irrespective of value.

- Where the value is estimated to be less than \$100,000 an invitational process may be used.

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- Where the value is estimated to be greater than \$100,000 an open competitive process is mandatory.

The overall value of procurement must not be reduced (eg. dividing a single procurement into multiple procurements) in order to circumvent competitive procurement thresholds.

5. Exemptions

The following categories are considered exempt from the requirement for invitational or open competitive procurement:

1. Placement and accommodation services for children in care
2. Services from licensed professionals, including medical doctors and dentists, pharmacists, nurses, psychologists, lawyers, accountants, architects
3. Emergency Procurement
4. Single distributor/source

Placement and accommodation services for children in care

- Children should be placed in the purchased residential setting that best matches their social, emotional, developmental, psychological and medical needs as documented by the case worker.
- Due consideration should be given to the cost of residential care in relation to the services provided as well as to geographic location.
- Only those resources licensed by the ministry and approved by the O.P.I. Assessment Worker may be used.


Services from Licensed Professionals

In the event services from licensed professionals, including medical doctors and dentists, pharmacists, nurses, psychologists, lawyers, accountants, architects for children in care are required the following information must be obtained/documentated and retained:

- the basis upon which the licensed medical professional was selected and how the fees were determined to be commensurate with the qualifications of the licensed professional
- an agreement which sets out the service and conditions under which the services are to be provided and paid, and the requirement that invoices are to contain sufficient detail to outline the service provided, to whom the service was delivered, who requested the service, and fees charged
- the services must be periodically evaluated in relation to results achieved

Emergency Procurement

An emergency is an occurrence of a serious and urgent nature that demands immediate action. Emergency procedures may be utilized to purchase that which is necessary to cover the emergency. It is appropriate to

 <p>The Children's Aid Society of Hamilton</p>	<p>SECTION: Purchasing</p> <p>SUBJECT: Competitive and Non Competitive 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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use emergency procedures when a purchase is required to protect personal safety, health or property.

For clarity, the potential loss of budgeted funds at the end of a fiscal year is not considered to be an emergency.

Subsequent requirements of the goods or services are to be obtained using normal purchasing practices.

As soon as practical after directing the supplier to proceed, documentation as to the nature of the emergency and the reason for supplier selection shall be prepared and forwarded to the purchasing clerk for filing.

Single Distributor/Source

Sole source purchases may be made when solicitation of multiple vendors is not feasible due to one of the following:

- the item or service is only available from one source
- competition is deemed inadequate ie. insufficient bidders
- necessary compatibility with existing products predetermines vendor
- existing licenses, copyright and patent rights predetermine vendor


6. 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.

7. 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
- Governing and Managing Policies for Delegated Authorities for Obligations and Payments
- Managing Policy for Delegated Authorities for Procurement

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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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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