

Contact North | Contact Nord

Ontario's Distance Education & Training Network
Le réseau d'éducation et de formation à distance de l'Ontario

Financial Policy and Procedures

Originator: Director, Financial Services

Approved by: Maxim Jean-Louis, President

Effective Date: April 1, 2012

Replaces: January 1, 2011

Procurement

1. PURPOSE, APPLICATION AND SCOPE

1.1 Purpose

The purpose of Contact North Procurement Policy is to:

- Ensure that goods and services are acquired through a process that is open, fair and transparent and consistent with the Broader Public Sector Procurement Directive issued under the authority of the *Broader Public Sector Accountability Act, 2010*;
- Establish an accountability framework to effectively and efficiently guide Contact North staff with assignment of clear responsibilities throughout each stage of the procurement process; and
- Ensure that Contact North's procurement processes are managed appropriately and consistently at all times.

1.2 Application and Scope

This Policy applies to the purchase of all goods and services by Contact North. Where appropriate, Contact North may leverage its buying power through group procurement initiatives across various groups, thereby aggregating demand to achieve economies of scale. Where Contact North is involved in such activities, such purchases are to be made according to the procedures of that cooperative procurement group, which may not be identical to Contact North's procedures but are consistent with this policy.

All references to procurement value amounts in this Policy exclude applicable sales taxes.

Contact North cannot, and does not, make financial contributions to registered (political) parties, constituency associations, or registered (political) candidates. This includes any contribution made to attend political fund raising events or community fundraisers

2. PRINCIPLES

The Policy is based on five key principles.

- A. Accountability** – Contact North is accountable for public funds used to purchase goods and services, for the results of such procurement decisions and the appropriateness of the processes that were applied in relation thereto.

- B. Transparency** – Contact North is transparent to all of its stakeholders and to the members of the communities who it serves. Wherever possible, stakeholders must have equal access to information on procurement opportunities, processes and results.
- C. Value for Money** – Contact North dollars are used prudently and responsibly with the aim of achieving maximum value for the use of public funds. A value-for-money approach seeks to deliver goods and services at the optimum total life-cycle cost.
- D. Quality Service Delivery** – In fashioning the appropriate method to purchase a good and/or service, particularly one that relates to a front-line service, Contact North must receive the right product at the right time and in the right place.
- E. Process Standardization** – Contact North is committed to standardizing the procurement processes in order to remove inefficiencies and create a level playing field.

3. SUPPLY CHAIN CODE OF ETHICS

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

A. 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 Contact North, its 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.

B. Accountability and Transparency

Supply Chain Activities must be open and accountable. In particular, contracting and Procurement activities must be fair, transparent and conducted with a view to obtaining the best value for public money. All participants must ensure that publicly-funded resources are used in a responsible, efficient and effective manner.

C. Compliance and Continuous Improvement

Individuals involved with Procurement or other Supply Chain Activities must comply with this Code of Ethics and all applicable laws. 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.

The Supply Chain Code of Ethics is to be communicated and available to all individuals who are involved in Procurement and other supply chain-related activities.

4.0 ACCOUNTABILITY AND COMPLIANCE

4.1 Accountability Framework

This Policy has been approved by Contact North's President. The President may establish additional rules consistent with those laid out in this policy.

4.2 Compliance

The President is authorized to ensure that Contact North's Supply Chain Activities comply with this Policy and the laws of Ontario. Contact North is obligated to comply with the provisions of the Ontario *Freedom of Information and Protection of Privacy Act* which provides a right of access to records held by the organization, including documents potentially submitted by such suppliers for procurement purposes.

4.3 Posting

This Policy is posted on Contact North's website, and is available to all staff, potential suppliers and the general public.

5.0 APPROVAL AUTHORITY FOR PROCUREMENT OF GOODS AND SERVICES

5.1 Approval Authority Schedule

Prior to commencement, any procurement must be approved in accordance with the Approval Authority Schedule ("AAS") set out within the Financial Policy and Procedures.

The following shall be complied with in respect to the AAS:

- (a) The delegated Approval Authority may approve any procurement amount up to the designated threshold in the AAS but never an amount above.
- (b) Procurement approvals cannot be delegated to a lower organizational level except in the case of backfilling a position.
- (c) The delegated Approval Authority to adhere to procurement thresholds set out in the AAS.
- (d) The division of procurements into multiple procurements in order to circumvent or avoid the AAS is prohibited.

6.0 COMPETITIVE PROCUREMENT

6.1 Posting Open Competitive Documents

Calls for open competitive procurements shall be made through an electronic tendering system that is readily acceptable to all Canadian suppliers.

6.2 Timelines for Posting

For procurement of goods and services valued at \$100,000 or more, suppliers shall be entitled to a minimum of 15 calendar days to respond.

6.3 Bid Receipt

Bid submission date and closing time shall be held on a business day and clearly stated in competitive procurement documents. Submissions that are delivered after the closing time shall be returned to the supplier unopened unless specified differently in the procurement documents.

6.4 Communication during Competitive Process

Throughout the competitive procurement process, all communications with suppliers involved in the process shall occur formally (whether oral or in writing) through the contact person identified in the competitive documents.

6.5 Evaluation Criteria

All competitive procurement shall contain evaluation criteria prior to commencement of the procurement process.

6.6 Evaluation Methodology

Open Competitive procurement documents shall fully disclose the evaluation methodology and process to be used in assessing submissions, including the method for resolving a tie score. Submissions that do not meet the mandatory criteria shall be disqualified.

6.7 Evaluation Team

Open competitive procurement processes shall have an evaluation team, made up of at least two persons, responsible for reviewing and rating compliant bids.

Evaluation team members shall make themselves aware of all restrictions relating to the disclosure of confidential and commercially sensitive information collected through the competitive procurement process and refrain from engaging in activities that may create or appear to create a conflict of interest. Evaluation Team members must sign a conflict of interest declaration and non-disclosure of confidential information agreement.

Each evaluation team member shall complete an evaluation matrix, rating each of the submissions. Records of evaluation scores shall be retained for audit purposes. Evaluators shall ensure that their input into submissions is fair, factual and fully defensible.

6.8 Winning Bid

The submission that receives the highest evaluation score and meets all mandatory requirements set out in the competitive procurement document shall be declared the winning bid.

6.9 Non-Discrimination

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

6.10 Executing and Managing the Contract

The agreement between Contact North and the successful supplier must be formally defined in a signed written agreement before the provision of supplying goods or services commences. Where an immediate need exists for goods and services and Contact North and the supplier are unable to finalize the procurement contract, an interim purchase order may be used. Justification for such a decision must be documented.

Contact North shall ensure that all procurement, and the resulting contracts, shall be managed responsibly and effectively.

To manage disputes with suppliers throughout the life of the contract, Contact North shall include a dispute resolution process in its procurement contracts.

6.11 Contract Award Notification

The following apply to contract award notification:

- After signing a contract, Contact North shall notify all suppliers who participated in the competitive process that a contract has been signed and the competitive process is complete.
- For procurements valued at \$100,000 or more, Contact North shall post, in the same manner as the procurement documents were posted, contract award notification. Such notification shall be posted after the agreement between the Contact North and the successful supplier was executed listing the name of the successful supplier, agreement start and end dates, and any extension options.

6.12 Supplier Debriefing

For procurements valued at \$100,000 or more, Contact North shall inform all unsuccessful suppliers about their entitlement to a debriefing. All unsuccessful suppliers shall have 60 calendar days following the date of the contract award notification to request a debriefing. Contact North shall conduct separate debriefings for each supplier that makes a request.

7.0 NON-COMPETITIVE PROCUREMENT RULES

7.1 Non-Competitive Procurement

Contact North will utilize a competitive process whenever possible to increase the possibility of achieving the greatest value for money. However, in some specific situations as described herein, competitive procurement processes may not be possible or may not be required.

7.2 Allowable Non-Competitive Procurement

The following are instances where non-competitive procurement may apply:

1. Procurement of goods intended for resale to the public;
2. Contracts with a public body or a non-profit organization;
3. Procurement of goods and services related to cultural or artistic fields and computer software for educational purposes;
4. Procurement of services that in Ontario may, by legislation or regulation, be provided only by any of the following licensed professionals: medical doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, accountants, lawyers and notaries;
5. Procurement of services of financial analysts or the management of investments by organizations who have such functions as a primary purpose;
6. Procurement of financial services respecting the management of financial assets and liabilities (i.e., treasury operations), including ancillary advisory and information services, whether or not delivered by a financial institution;
7. Health services and social services.
8. Items which are mainly of a non-competitive nature such as taxes, utilities, postage and memberships.
9. Payroll, benefits, source deductions, licenses, employee income and bank charges.

7.3 Exceptions to Competitive procurement – Sole or Single Sourcing

Prior to the commencement of non-competitive procurement where a competitive procurement would have otherwise been required, a Sole Source Justification form shall be completed and approved as per the Authority Approval Schedule.

Circumstances in which sole or single sourcing may be considered must be justified and documented in advance by the requisitioner on the Sole or Single Source Justification Form. The Sole or Single Source Justification Form must receive prior approval in accordance with Contact North's Approval Authority Schedule.

7.3.1 Sole Sourcing

Acquisition of unique goods or non-consulting services from the only source of supply available in a given market area.

7.3.2 Single Source

Acquisition of goods or non-consulting services from one vendor without extending the opportunity to others equally qualified to supply the same goods or services in a given market. Single sourcing will be used only in narrowly defined circumstances, such as urgent need, necessity to match existing equipment or difficulty in or impossibility of obtaining three bids.

8.0 PROCUREMENT RECORDS RETENTION

For reporting and auditing purposes, all procurement documentation, as well as any other pertinent information shall be retained in a recoverable form for a period of seven (7) years.

9.0 CONFLICT OF INTEREST

Individuals involved with Supply Chain Activities shall declare actual or potential conflicts of interest. Where a conflict arises, it shall be evaluated and an appropriate mitigating action taken by Contact North including but not limited to disqualifying the involvement of such conflicted individual(s) from Supply Chain Activities.

Contact North shall monitor any conflict of interest that may arise as a result of its employees' involvement in or that of its agents, advisors, evaluation team members, suppliers or consultants with the Supply Chain Activities.

10. POLITICAL DONATIONS AND FUNDRAISERS

Contact North cannot, and does, not make financial contributions to registered (political) parties, constituency associations, or registered (political) candidates. This includes any contribution made to attend political fund raising events or community fundraisers

11. PURCHASES NOT REQUIRING A PURCHASE ORDER

Individual Travel expenses may be arranged directly without involvement of the Purchasing Department in accordance with the Travel and Business Expense Policy.

Employer's General Expenses including payroll, benefits, source deductions, licenses, employee income and bank charges.

Special Services including Arbitrators, Legal Settlements, Legal Fees, Investment Services, Insurance and Insurance Claims.

Utilities including Postage, Telephone, High-speed, Taxes, Heat, Hydro and water

Financial Services will

- Review all Purchase Order Requests and Quote Processes for accuracy and policy compliance; and
- Conduct random audits of quote processes.

Financial Services is responsible for the administration of this policy and procedures, and is authorized to question any purchase order request, quote or evaluation process completed, obtain further clarification when necessary, and flags non-compliance with policies.

The AA will be informed if items are being disputed for reasons other than clerical errors.

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Sole or Single Source Purchase Justification

Vendor Name: _____

Description of Goods/Services _____

This sole or single source procurement has been made for the following reason(s): (Check appropriate box(es)).

- To ensure compatibility with existing products, recognize exclusive rights such as licenses, copyright, and patent rights or to maintain specialized products that must be maintained by the manufacturer or its representative;
- No alternative or substitute product or service exists that meets the specific or unique technical or research requirement;
- For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly;
- There is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists;
- To fulfill lease requirements or for work to be performed on or about a leased building or portions thereof that may be performed only by the lessor or recommended contractor;
- To honour guarantees or warranties
- To procure a prototype or a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development
- An unforeseeable urgency exists;
- The subject matter of the purchase is of a confidential or privileged nature;
- The procurement is for construction materials where transportation costs and technical considerations impose geographical limits;
- Where compliance with the open tendering provisions set out in the Policy would interfere with Contact North's ability to maintain security or order or to protect human, animal or plant life or health;
- To purchase real property, subscriptions, original works of art or to place advertisements in various media;
- In the absence of a receipt of any bids in response to a competitive process

- Other _____

By affixing my signature hereto, I attest that one or more of the above noted conditions apply to this procurement.

Originator: _____

Date: _____

President: _____

Date: _____