



Policy 404: Procurement of Goods and Services Policy Guidelines

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27 September 2018 as per Board Motion 065/2018
19 October 2016 as per Board Motion 087/2016

1 Purpose

1.01 The purpose of the policy is:

- a. To ensure that goods and services, including construction, consulting services, and information technology are acquired through a process that is open, fair, and transparent;
- b. To outline the responsibilities of the Agency throughout each stage of the procurement process; and
- c. To ensure that procurement processes are managed consistently throughout the Agency.

2 Application and Scope

- 2.01 This policy applies to the planning, acquisition and management of goods and services including, consulting and professional services.
- 2.02 The principles and requirements of this policy apply to all Agency acquisitions other than those specifically excluded within this policy.
- 2.03 This policy shall be reviewed as a part of a policy review cycle that occurs at least once every four years.
- 2.04 Any exception to this policy shall be justified and documented.
- 2.05 For greater clarity on terms used in this document, please refer to Appendix 'A' definitions.
- 2.06 This policy will be implemented on a phase-by-phase basis as outlined in Appendix 'B'.

3 Principles

- 3.01 To help ensure that expenditures represent value for money spent while promoting fair dealings with vendors, the Agency shall:
 - a. Be accountable for the results of their procurement decisions and the appropriateness of the processes;

- b. Be transparent to all stakeholders. Wherever possible, stakeholders must have equal access to information on procurement opportunities, processes and results;
- c. Maximize the value they receive from the use of public funds. A value-for-money approach aims to deliver goods and services at the optimum total lifecycle cost;
- d. Ensure quality service delivery by obtaining the right product, at the right time, in the right place; and,
- e. Remove inefficiencies by standardizing processes.

4 Procedures

4.01 The organization must conduct an open competitive procurement process where the estimated value of procurement of goods or services is \$100,000 or more. The exemptions must be in accordance with the applicable trade agreements.

KGCFS Approval Authority Schedule (AAS)		
Goods, Non-Consulting Services and Construction		
Total Procurement Value	Means of Procurement	Recommended/ Required
\$0 up to and including \$100	Petty Cash	Recommended
\$1001 up to but including \$3,000	Purchase order or Payment Approval Form	Recommended
\$3,000 up to but not including \$10,000	Purchase Order or Payment Approval Form	Recommended
\$10,001 up to and including \$100,000	Invitational competitive procurement (minimum of three suppliers are invited to submit a bid)	Required
Over \$100,000	Open Competitive Process	Required

4.02 Organizations must competitively procure consulting services irrespective of value. Any consulting services regardless of value must be done either through an invitational competitive (3 quote) or open competitive process. The exemptions must be in accordance with the applicable trade agreements.

4.03 Competitive Procurement: Invitational

An invitational competitive process involves requesting a minimum of three qualified suppliers to submit a written proposal based on the requirements outlined by an individual or organization. The request may take the form of email, phone call or other methods the organization uses to solicit bids.

4.04 Competitive Procurement: Open

An open competitive process enables all suppliers to compete in a fair and open environment related to the contractual purchase or lease of any good or service by an organization. Selecting bids from the widest possible range of vendors may provide greater insight regarding market opportunities. There are electronic tendering sites that are accessible to a wide range of vendors. These sites may be available free for the buyer to post opportunities.

4.05 Competitive Procurement: Non- Competitive

Organizations should use competitive procurement processes to get maximum value for money. There may be situations, however, when organizations are unable to conduct competitive procurement or get maximum value under competitive procurement. When using non-competitive procurement, it is good practice to document the reasoning for using this method and to obtain proper approvals.

Professional/Consulting Services		
Invitational Competitive	\$0 up to but not including \$100,000	Organization's AAS for goods and non-consulting services
Open Competitive	Any value and over \$100,000	Organization's AAS for goods and non-consulting services
Non- competitive*	\$0 up to but not including \$100,000	Organization's AAS for goods and non-consulting services

Note: Orders cannot be split to circumvent this policy.

5 Petty Cash (Goods, Non-Consulting Services and Construction)

5.01 Low \$ Value, Informal Process requires Purchase approval form signed by Supervisor.

6 Purchase Orders / Requisition Forms (Goods, Non-Consulting Services and Construction)

6.01 Purchases from \$0 up to and including \$1,000 shall be obtained through the use of a purchase order / Payment Approval Form that is approved by the appropriate Supervisor.

6.02 Purchases from \$1,001 up to and including \$2,500 shall be obtained through the use of a purchase order / Payment Approval Form that is approved by the appropriate Department Manager.

Note: Regular ongoing expenditures do not require a purchase order / payment approval form. Invoices for these expenses must be approved by the appropriate signing authority. These expenditures include but are not limited to utilities, cell phones, telephones, taxes, legal services, and leases.

7 Competitive Procurement Thresholds

- 7.01 Purchases from \$10,001 up to and including \$100,000 must be an invitational competitive procurement process where a minimum of three (3) suppliers are invited to submit a bid. If three (3) quotes are not obtainable, the reason for this shall be clearly documented. Where possible and cost feasible, it is preferable to obtain goods and services from a local vendor.

8 Competitive Procurement Process

- 8.01 The competitive procurement process, invitational or open, shall be used in the following circumstances:
- a. Purchases of \$100,001 or over for goods, non-consulting services and construction; and
 - b. Any valued purchase for professional / consulting services;
 - c. Dependent on the total procurement value, the appropriate authority approval is required as outlined in the Approval Authority Schedule above.

9 Information Gathering

- 9.01 Where results of informal supplier or product research are insufficient, the Agency shall use formal processes such as a Request for Information (RFI) or Request for Expression of Interest (RFEI) if warranted, taking into consideration the time and effort required to conduct them.

10 Supplier Pre-Qualification

- 10.01 The Agency, at its option, may choose to pre-qualify vendors. The pre-qualification process requires an assessment by a Selection Committee (composed of three senior Agency staff managers) of the possible bidders based on pre-established criteria which may include:
- a. Brief outline of the size of the firm and range of experience with not-for-profit organizations;
 - b. Experience in providing services to child welfare organizations;
 - c. Specific qualifications of staff that could be assigned to the providing services to Agency;
 - d. Where results of informal supplier or product research are insufficient, the Agency may use a formal process such as a Request for Information (RFI) or Request for Expression of Interest (RFEI) if warranted, taking into consideration the time and effort required to conduct them; and
 - e. A response to an RFI or RFEI must not be used to pre-qualify a potential supplier and must not influence the chances of the participating suppliers from becoming the successful proponent in any subsequent opportunity.
- 10.02 The firms will be required to submit a letter of qualification which responds specifically to the pre-established criteria. All appropriate documentation throughout the selection process will be retained.

11 Posting Competitive Procurement Documents

11.01 When posting the request for proposal, quote or tender, the Agency ensures the procurement document shall include the following:

- a. the bid submission date and closing time information, with a minimum response time of 15 calendar days or 30 calendar days for high complex / cost tenders;
- b. clearly states Agency evaluation procedures, including the method of resolving tie score as listed in 13.05; and
- c. clearly states that submissions that do not meet the mandatory criteria will be disqualified.

11.02 For open competitive procurements, the procurement document will be made available through an electronic tendering system that is readily available accessible by all.

12 Submission of RFP's, RFQ's, and Tenders

- a. The time, date and method of delivery shall be specified in the request document.
- b. Bids received later than the specified closing time shall be returned unopened to the bidder.
- c. A bidder who has already submitted a bid may submit a further bid at any time up to the official closing time and date specified by the request call. The last bid received shall supersede and invalidate all bids previously submitted by that bidder.
- d. A bidder may withdraw his or her bid at any time up to official closing time by letter bearing his or her signature as in his or her bid submitted to Purchaser.
- e. All bidders may be requested to supply a list of all subcontractors to be employed on a project. Any changes to the list of subcontractors or addition thereto must be approved by the Purchaser.

13 No Acceptable Bid or Equal Bids Received

13.01 Where bids are received in response to a bid solicitation but exceed budget, are not responsive to the requirement, or do not represent fair market value, a revised solicitation shall be issued in an effort to obtain an acceptable bid unless 13.02b applies.

13.02 The Executive Director or authorized designate may waive the need for a revised bid solicitation and enter into negotiations with the lowest responsive bidder emanating from a bid solicitation, under the following circumstances:

- a. The total cost of the lowest responsive bid is in excess of the funds approved by the Agency for the project; and

- b. The Executive Director or authorized designate is able to justify in writing that the changes required to achieve an acceptable bid do not change the general nature of the requirement described in the bid solicitation.
- 13.03 The method of negotiation shall be those accepted as standard negotiating procedures that employ ethical public procurement practices.
- 13.04 The Agency has the right to cease negotiations and reject any offer.
- 13.05 If two equal bids are received, the Agency will offer an opportunity for bidders to re-bid. Should a tie persist the following factors will be considered:
- a. Prompt payment discount;
 - b. When delivery is an important factor, the bidder offering the best delivery date be given preference;
 - c. A bidder in a position to offer better after sales service, with a good record in this regard shall be given preference;
 - d. A bidder with an overall satisfactory performance record shall be given preference over a bidder known to have an unsatisfactory performance record or no previous experience with the agency; and
 - e. If the above does not break the tie, equal bidders shall draw straws, or be determined by another appropriate documented process.

14 Only One Bid Received

- 14.01 In the event only one bid is received in response to a request for tender, the Agency may return the unopened bid to the bidder when, in the opinion of the Executive Director or authorized designate, using criteria, based on the number of bids which might reasonably be expected on a given type of bid, additional bids could be secured. In returning the unopened bid the Agency shall inform the bidder that the Agency may be recalling the tender at a later date.
- 14.02 In the event that only one bid is received in response to a request for tender, the bid may be opened and evaluated in accordance with the Agency's usual procedures when, in the opinion of the Executive Director or authorized designate, the bid should be considered by the Agency. If, after evaluation by the Executive Director or authorized designate, the bid is found not to be acceptable, they may follow the procedures set out above under No Acceptable Bid or Equal Bids Received.
- 14.03 In the event that the bid received is found acceptable, it will be awarded as an Irregular result under 'Appendix 'C'.

15 Evaluation, Recommendation and Approval

- 15.01 For all invitational competitive procurements, the Manager of Administration shall arrange for a review of quotes/tender received based on pre-determined

evaluation criteria (depending on product/service) with two (2) additional management staff in attendance at that time.

- 15.02 For open competitive procurements, the Manager of Administration shall be responsible for arranging for the public opening of tender bids at the time and date specified by the tender call. The evaluation of bids shall be based on pre-determined evaluation criteria (depending on product/service). There shall be at least two (2) additional management staff in attendance at that time.

Note: Individuals involved must declare actual or potential conflicts of interest that may arise as a result of their involvement in the supply chain activities.

- 15.03 The Manager of Administration forwards a report to the authorized signing authority, as outlined in the Approval Authority Schedule or authorized designate which includes the following:

- a. A summary of the bids and the source of financing and other financial commentary;
- b. Details regarding supplier compliance with the evaluation criteria; and
- c. A recommendation for the award of contract to the submission that received the highest evaluation score and has met all mandatory requirements.

- 15.04 The authorized signing authority, as outlined in the Approval Authority Schedule, approves or denies the recommendation in writing to the Manager of Administration.

16 Notification to Suppliers

- 16.01 For procurements of \$0 up to and including \$100,000, the notification to all suppliers by mail.

- 16.02 For procurements of \$100,001 or more, posting the contract award notification in the same manner as advertised, following execution of the contractual agreement. The notification will identify the name of the successful supplier, agreement start and end dates, and any extension options.

- 16.03 For procurements of \$100,001 or more, the Agency will inform all unsuccessful suppliers about their entitlement to a debriefing. The unsuccessful suppliers will have 60 calendar days following the date of the contract award notification to request a debriefing.

17 Contractual Agreement

- 17.01 The award of contract may be made by way of a formal agreement, Contract Record or Purchase Order.

- 17.02 A Purchase Order or Contract Record is to be used when the resulting contract is straightforward and will contain the Agency's standard terms and conditions.

17.03 Where the Executive Director or authorized designate and Manager of Administration have determined a formal agreement is required:

- a. The formal agreement will contain at minimum, the following terms and conditions:
 - i. The conditions under which services are to be provided and paid for, including objectives, background, scope, constraints, staff responsibilities, tangible deliverables, timing, progress reporting, approval requirements;
 - ii. Periodic evaluation of results achieved; and
 - iii. That the supplier of the service provide detailed invoices containing sufficient detail to assess the appropriateness and reasonableness of amounts billed;
 - iv. That expenses submitted are reimbursed in compliance with the expense guidelines and only where the contract explicitly provides for reimbursement.
- b. The Agency may issue a Contract Record incorporating the formal agreement;
- c. The formal agreement shall include appropriate cancellation or termination clauses.

17.04 Where a formal agreement is not required, the Agency shall issue a Contract Record incorporating the terms and conditions relevant to the award of contract.

18 Exercise of Contract Renewal Options

18.01 Where a contract contains an option for renewal, the Executive Director or authorized designate may exercise such option provided that all of the following apply:

- a. The supplier's performance in supplying the goods, services or construction is considered to have met the requirements of the contract;
- b. The executive director or authorized designate and manager of administration agree that the exercise of the option is in the best interest of the agency;
- c. Funds are available in within the agency's approved budget including authorized revisions to meet the proposed expenditure; and
- d. A valid business case has been completed.

18.02 The business case shall be authorized by the Executive Director or the authorized designate and shall include a written explanation as to why the renewal is in the best interest of the Agency and include comment on the market situation and trend.

19 Contract Amendments and Revisions

19.01 No amendment or revision to a contract shall be made unless the amendment is in the best interest of the Agency.

- 19.02 No amendment that changes the price of a contract shall be agreed to without a corresponding change in requirement or scope of work.
- 19/03 Amendments to contracts are subject to the identification and availability of sufficient funds in appropriate accounts within the Agency's approved budget including authorized revisions.
- 19.04 The Executive Director or authorized designate may authorize amendments to contracts provided that the total amended value of the contract is within the approval authority.
- 19.05 Where expenditures for the proposed amendment combined with the price of the original contract exceeds the Agency's approved budget for the project, a report prepared by the Manager of Administration shall be submitted to the Executive Director or authorized designate for approval.

20 Execution and Custody of Documents

- 20.01 The Executive Director or authorized designate is authorized to execute formal agreements in the name of the Agency.
- 20.02 The Agency shall execute Contract Records issued in accordance with these provisions.
- 20.03 The Agency shall maintain a register of all goods and services contracts, agreements, Vendors of Record valued in excess of \$10,001 for which this policy applies.
- 20.04 The Manager of Administration shall be responsible for the safeguarding of original purchasing and contract documentation for the contracting of goods or services for which the award is made by the delegated authority.
- 20.05 For reporting and auditing purposes, all documentation, as well as any other pertinent information will be retained in a secure location for a period of seven years.

21 Exclusion of Bidders Due to Poor Performance

- 21.01 The Executive Director or authorized designate shall document rationale where the performance of a supplier has been unsatisfactory in terms of failure to meet contract specifications, terms and conditions or for Health and Safety violations
- 21.02 The Manager of Administration may prohibit an unsatisfactory supplier from bidding on future Contracts for a period of up to three years.

22 Receipt of Goods

- 22.01 Upon the receipt of goods the Agency will:

- a. Arrange for the prompt inspection of goods on receipt to confirm conformance with the terms of the contract;
- b. Rectify discrepancies immediately; and
- c. Coordinate an appropriate course of action for any non-performance or discrepancies.

23 Exceptions to Competitive Procurement

23.01 The requirement for competitive bid solicitation may be waived under joint authority of the Executive Director or authorized designate and Manager of Administration under the following circumstances:

- a. Where competition is precluded due to the application of any Act or legislation or because of the existence of patent rights, copyrights, technical secrets or controls of raw material;
- b. Where due to abnormal market condition, the goods, services or construction required are in short supply;
- c. Where only one source of supply is available and where one or more of the following conditions apply:
 - i. the required goods and services are reasonably available from only one source by reason of the scarcity of supply in the market or the existence of exclusive rights held by any supplier or the need for compatibility with goods and services previously acquired and there are no reasonable alternatives or substitutes;
 - ii. the required goods and services will be additional to similar goods and services being supplied under an existing contract (i.e. contract extension or renewal);
 - iii. an attempt to purchase the required goods and services has been made in good faith using a method other than Direct Negotiation which has failed to identify a successful supplier and it is not reasonable or desirable that a further attempt to purchase the goods and services be made using a method other than Direct Negotiation; and/or
 - iv. the required goods and services are to be supplied by a particular vendor or supplier having special knowledge, skills, expertise or experience;
- d. Where there is an absence of competition for technical or other reasons and the goods, services or construction can only be supplied by a particular supplier and no alternative exists;
- e. Where the nature of the requirement is such that it would not be in the public interest to solicit competitive bids as in the case of security or confidentiality matters;

- f. In the event of an “Emergency” where there is an imminent or actual danger to the life, health, or safety of an official or an employee while acting on the Agency’s behalf (e.g. emergency boiler repairs or replacement), an imminent or actual danger of injury to or destruction of real or personal property belonging to the Agency.
- g. Where the requirement is for a utility for which there exists a monopoly; or
- h. Purchases of goods, non-consulting services and construction less than \$10,001.

23.02 Where the non-competitive process is used, rationale must be documented and approved prior to the purchase.

24 Alternative Purchasing Methods

24.01 Vendor of Record

- a. A Vendor of Record may be established where:
 - i. Actual demand is not known in advance, or
 - ii. A need is anticipated for a range of goods and services for a specific purpose, but the actual demand is not known at the outset, and delivery is to be made when a requirement arises.
- b. The Agency shall establish and maintain a reference list of approved Vendors of Record to source frequently used goods or services. The reference list will specify Vendors of Record, pricing, discounts from published catalogues, standard pricing, delivery and service policies, etc.
- c. To establish prices and/or discounts and select sources, the Agency shall employ the provisions contained in this policy for the acquisition of goods, services.
- d. More than one supplier may be selected where it is in the best interests of the Agency and the bid solicitation allows for more than one.
- e. When a purchasing action is initiated for frequently used goods or services, it is to be made with the supplier or suppliers listed in the Vendor of Record.
- f. In a Request for Vendor of Record, the expected quantity of the specified goods or services to be purchased over the time period of the agreement will be as accurate an estimate as practical and be based, to the extent possible, on previous usage adjusted for any known factors that may change usage. **The total accumulated value over the length of the agreement must not exceed \$100,000.**

25 Co-Operative Purchasing (e.g., Buying Groups)

25.01 The Agency may participate with other government agencies or public authorities in Co-operative Purchasing where it is in the best interests of the Agency to do so.

- 25.02 The decision to participate in Co-operative Purchasing agreements will be made by either the Executive Director or authorized designate or the Manager of Administration.
- 25.03 The policies of the government agencies or public authorities calling the co-operative tender are to be the accepted policy for that particular tender.

26 Definitions

- a. Accountability means the obligation of an employee, agent or other person to answer for or be accountable for, work, action or failure to act following delegated authority.
- b. Agreement means the formal written document that will be entered into at the end of the procurement process.
- c. Approval Authority means the authority delegated by the Organization to a person designated to occupy a position to approve on its behalf one or more procurement functions within the plan-to-pay cycle up to specified dollar limits subject to the applicable legislation, regulations and procedures in effect at such time.
- d. Award means the notification to a proponent of acceptance of a proposal, quotation or tender that brings a contract into existence.
- e. Bid means a proposal, quotation or tender submitted in response to a solicitation from a contracting authority. A bid covers the response to any of the three principal methods of soliciting bids, i.e., Request for Proposal, Request for Tender and Request for Quotation.
- f. Bid Protest means a dispute raised against the methods employed or decisions made by a contracting authority in the administration of a proposal, tender, or quotation process.
- g. Chief Executive Officer means the head of operations at Organizations.
- h. 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.
- i. Conflict of Interest means a situation in which financial or other personal considerations have the potential to compromise or bias professional judgment and objectivity. An apparent conflict of interest is one in which a reasonable person would think that the professional's judgment is likely to be compromised.
- j. Construction means construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not

- include professional consulting services related to the construction contract unless they are included in the procurement.
- k. Consultant means a person or entity that under an agreement, other than an employment agreement, provides expert or strategic advice and related services for consideration and decision-making.
 - l. Consulting Services means the provision of expertise or strategic advice that is presented for consideration and decision-making.
 - m. Contract means an obligation, such as an accepted offer, between competent parties upon a legal consideration, to do or abstain from doing some act. It is essential to the creation of a contract that the parties intend that their agreement shall have legal consequences and be legally enforceable. The essential elements of a contract are an offer and an acceptance of that offer; the capacity of the parties to contract; consideration to support the contract; a mutual identity of consent or consensus ad idem; legality of purpose; and sufficient certainty of terms.
 - n. Designated broader public sector organization means an Organization to which section 12 of the Broader Public Sector Accountability Act, 2010 applies.
 - o. Electronic Tendering System means a computer-based system that provides suppliers with access to information related to open competitive procurements.
 - p. Evaluation Criteria means a benchmark, standard or yardstick against which accomplishment, conformance, performance and suitability of an individual, alternative, activity, product or plan is measured to select the best supplier through a competitive process. Criteria may be qualitative or quantitative in nature.
 - q. Evaluation Matrix means a tool allowing the evaluation team to rate supplier proposals based on multiple pre-defined evaluation criteria.
 - r. Evaluation Team means a group of individuals designated/responsible to make award recommendation. The evaluation team would typically include representatives from the Organization and subject matter expert(s). Each member participates to provide business, legal, technical and financial input.
 - s. Goods means moveable property (including the costs of installing, operating, maintaining or manufacturing such moveable property) including raw materials, products, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form, unless they are procured as part of a general construction contract.
 - t. Goods and Services / Goods or Services means all goods and/or services including construction, consulting services, and including but not limited to IT and consulting services.

- u. Organizations means all organizations listed in Application and Scope for the purposes of this Directive; Section 2.
- v. Information Technology means the equipment, software, services and processes used to create, store, process, communicate and manage information.
- w. Invitational Competitive Procurement means any form of requesting a minimum of three (3) qualified suppliers to submit a written proposal in response to the defined requirements outlined by an individual/organization.
- x. Members of an Organization means all trustees, members of the board of directors, senior executives, and employees of the Organization, or their equivalent.
- y. Non-discrimination means fairness in treating suppliers and awarding contracts without prejudice, discrimination or preferred treatment.
- z. Offer means a promise or a proposal made by one party to another, intending the same to create a legal relationship upon the acceptance of the offer by the other party.
- aa. Procurement means acquisition by any means, including by purchase, rental, lease or conditional sale, of goods or services.
- bb. Procurement Card (P-Card) means an organizational credit card program primarily used for low-cost, non-inventory, non-capital items, such as office supplies. The card allows procurement or field employees to obtain goods and services without going through the requisition and authorization procedure. P-cards may be set up to restrict use to specific purchases with pre-defined suppliers or stores and offer central billings.
- cc. Procurement Policies and Procedures (PPP) means a framework and mandatory requirements to govern how Organizations conduct sourcing, contracting and purchasing activities, including approval segregation and limits, competitive and non-competitive procurement, conflict of interest and contract awarding.
- dd. Procurement Value means the estimated total financial commitment resulting from procurement, taking into account optional extensions.
- ee. Purchase Order (PO) means a written offer made by a purchaser to a supplier formally stating the terms and conditions of a proposed transaction.
- ff. Request for Expressions of Interest (RFEI) means a document used to gather information on supplier interest in an opportunity or information on supplier capabilities/qualifications. This mechanism may be used when a BPS organization wishes to gain a better understanding of the capacity of the supplier community to provide the services or solutions needed. A response to a RFEI must not pre-qualify a potential supplier and must not influence their chances of being the successful proponent on any subsequent opportunity.

- gg. Request for Information (RFI) means a document issued to potential suppliers to gather general supplier, service or product information. It is a procurement procedure whereby suppliers are provided with a general or preliminary description of a problem or need and are requested to provide information or advice about how to better define the problem or need, or alternative solutions. A response to an RFI must not pre-qualify a potential supplier and must not influence their chances of being the successful proponent on any subsequent opportunity.
- hh. 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.
- ii. Request for Supplier Qualifications (RFSQ) means a document used to gather information on supplier capabilities and qualifications, with the intention of creating a list of pre-qualified suppliers. This mechanism may be used either to identify qualified candidates in advance of expected future competitions or to narrow the field for an immediate need. Organizations must ensure that the terms and conditions built into the RFSQ contain specific language that disclaims any obligation on the part of the Organization to call on any supplier to provide goods or services as a result of the pre-qualification.
- jj. Requisition means a formal request to obtain goods or services made within an organization, generally from the end-user to the procurement department.
- kk. Segregation of Duties means a method of process control to manage conflict of interest, the appearance of conflict of interest, and errors or fraud. It restricts the amount of power held by any one individual. It puts a barrier in place to prevent errors or fraud that may be perpetrated by one individual.
- ll. Services means intangible products that do not have a physical presence. No transfer of possession or ownership takes place when services are sold, and they (1) cannot be stored or transported, (2) are instantly perishable, and (3) come into existence at the time they are bought and consumed.
- mm. Supplier/Vendor means any person or organization that, based on an assessment of that person's or organization's financial, technical and commercial capacity, is capable of fulfilling the requirements of procurement.
- nn. Supply Chain Activities means all activities whether directly or indirectly related to the organization's planning, sourcing, procurement, moving, and payment processes.
- oo. Trade Agreements means any applicable trade agreement to which Ontario is a signatory.

pp. Supplier Debriefing means a practice of informing a supplier why their bid was not selected upon completion of the contract award process.

27 Phased Implementation

27.01 This policy shall be effective September 30, 2016, and shall apply to the acquisition of all goods and services except where:

- a. Excluded under Section 5.12 of this Policy; and/or
- b. Identified as subject to a later phased implementation date.

27.02 The acquisition of goods and services will be processed in full compliance with this policy.

28 Irregularities Contained in Bids

IRREGULARITY	RESPONSE
Late Bids	Automatic rejection, not read publicly, and returned unopened to the bidder.
Unsealed Envelopes	Automatic rejection
Incomplete, illegible, or obscure bids, or bids which contain additions not called for, erasures, alterations, errors, or irregularities of any kind.	May be rejected as informal
All necessary addenda have not been acknowledged.	Automatic rejection
Failure to attend mandatory site visit.	Automatic rejection
Failure to include signature of the person authorized to bind the Tenderer.	Automatic rejection
Conditions placed by the Tenderer on the Total Contract Price.	Automatic rejection
Bids Containing Minor Mathematical Errors	<ul style="list-style-type: none"> a. If the amount tendered for a unit price item does not agree with the extension of the estimated quantity and the tendered unit price, or if the extension has not been made, the unit price shall govern and the total price shall be corrected accordingly. b. If both the unit price and the total price are left blank, then both shall be considered as zero. c. If the unit price is left blank but a total price is shown for the item, the unit price shall be established by dividing the total price by the estimated quantity. d. If the total price is left blank for a lump sum item, it shall be considered as zero. e. If the Tender contains an error in addition and/or subtraction and/or transcription in the approved tender documentation format requested (e.g., not the additional supporting documentation supplied), the error shall be corrected and the corrected total contract price shall govern.

	f. Tenders containing prices which appear to be so unbalanced as to likely affect the interests of the Agency adversely may be rejected.
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29. Exemptions

Procurement Policy Exemptions: Limited Tendering and Non-Application Codes CFTA Chapter 5 / CETA Chapter 19 / OQTCA Chapter 9	
Definitions	
Limited Tendering Exceptions under CFTA Article 513, CETA Article 19.12, OQTCA 9.14	<i>Limited Tendering means a procurement method whereby the procuring entity contacts a supplier or suppliers of its choice, provided it does not use this provision for the purpose of avoiding competition among suppliers or in a manner that discriminates against suppliers of any other Party or protects its own suppliers. A procuring entity may use limited tendering under any of the circumstances described in TABLE 1. Limited Tendering now includes Sole or Single Source as defined below.</i>
Sole Source	<i>Non-competitive process used to acquire goods or services from a specific supplier because there are no other suppliers available or capable of providing the required goods or services.</i>
Single Source	<i>Non-competitive process used to acquire goods or services from a specific supplier, even though there may be more than one supplier capable of delivering the same goods or services.</i>
Non-Application Provisions under CFTA, CETA and OQTCA	<i>Non-Application Provisions are provisions that exempt a given procurement from the application of the government procurement chapter obligations of the applicable agreement (CFTA, CETA or OQTCA), as described in TABLE 2.</i>
Tender	<i>Submission from a supplier in a response to a tender notice for a procurement valued at or greater than \$121,200.</i>
Quotation	<i>Submission from a supplier in response to an "Invitation to Quote" for a procurement valued at or greater than \$25,000 but less than \$121,200.</i>

TABLE 1: Limited Tendering Exception Codes (Single Source & Sole Source)

A	<ul style="list-style-type: none"> i. If no tenders or quotations were submitted or no suppliers requested participation; ii. If no tenders or quotations that conform to the essential requirements of the tender or quotation documentation were submitted; iii. If no suppliers satisfied the conditions for participation; or iv. If the submitted tenders were collusive); <p><i>In any of the above cases, the exception is only available provided that the requirements of the tender documentation are not substantially modified.</i></p>
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B	<p>If the goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute goods or services exist for any of the following reasons:</p> <ul style="list-style-type: none"> i. the requirement is for a work of art; ii. the protection of patents, copyrights, or other exclusive rights; iii. due to an absence of competition for technical reasons; iv. the supply of goods or services is controlled by a supplier that is a statutory monopoly <i>(Not available under CETA or the OQTCA.);</i> v. to ensure compatibility with existing goods or to maintain specialized goods that must be maintained by the manufacturer of those goods or its representative <i>(Not available under CETA or the OQTCA.);</i> vi. work is to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original <i>(Not available under CETA or the OQTCA.);</i> vii. work is to be performed on a leased building or related property, or portions thereof, that may be performed only by the lessor <i>(Not available under CETA or the OQTCA.);</i> viii. the procurement is for subscriptions to newspapers, magazines, or other periodicals <i>(Not available under CETA or the OQTCA.);</i>
C	<p>For additional deliveries by the original supplier of goods or services that were not included in the initial procurement, if a change of supplier for such additional goods or services: (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services, or installations procured under the initial procurement; and (ii) would cause significant inconvenience or substantial duplication of costs for the procuring entity <i>(Both (i) and (ii) must apply);</i></p>
D	<p>If strictly necessary, and for reasons of urgency brought about by events unforeseeable by the procuring entity, the goods or services could not be obtained in time using open tendering <i>(A failure to plan and allow sufficient time for a competitive procurement does not constitute an unforeseeable situation or urgency);</i></p>
E	<p>For goods purchased on a commodity market;</p>
F	<p>If a procuring entity procures a prototype or a first good or service that is developed in the course of, and for, a particular contract for research, experiment, study, or original development. Original development of a first good or service may include limited production or supply in order to incorporate the results of field testing and to demonstrate that the good or service is suitable for production or supply in quantity to acceptable quality standards, but does not include quantity production or supply to establish commercial viability or to recover research and development costs;</p>
G	<p>For purchases made under exceptionally advantageous conditions that only arise in the very short term in the case of unusual disposals such as those arising from liquidation, receivership, or bankruptcy, but not for routine purchases from regular suppliers;</p>
H	<p>If a contract is awarded to a winner of a design contest provided that: (i) the contest has been organized in a manner that is consistent with the principles of this Chapter, in particular relating to the publication of a tender notice; and (ii) the participants are judged by an independent jury with a view to a design contract being awarded to a winner; and</p>

I	If goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open tendering process could reasonably be expected to compromise government confidentiality, result in the waiver of privilege, cause economic disruption, or otherwise be contrary to the public interest (<i>Not available under CETA. It is a non-application provision under OQTCA.</i>)
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TABLE 2: Non-Application Provision Codes

A	Public employment contracts
B	Non-legally binding agreements
C	Any form of assistance such as grants, loans, equity infusions, guarantees, and fiscal incentives
D	A contract awarded under a cooperation agreement between a Party and an international cooperation organization if the procurement is financed, in whole or in part, by the organization, only to the extent that the agreement includes rules for awarding contracts that differ from the obligations of this Chapter
E	Acquisition or rental of land, existing buildings, or other immovable property, or the rights thereon;
F	Measures necessary to protect intellectual property, provided that the measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between the Parties where the same conditions prevail or are a disguised restriction on trade;
G	Procurement or acquisition of: <ul style="list-style-type: none"> i. fiscal agency or depository services ii. liquidation and management services for regulated financial institutions ; or iii. services related to the sale, redemption, and distribution of public debt, including loans and government bonds, notes and other securities.
H	Procurement of: <ul style="list-style-type: none"> i. financial services respecting the management of government financial assets and liabilities (i.e., treasury operations), including ancillary advisory and information services, whether or not delivered by a financial institution ii. health services or social services iii. services that may, under applicable law, only be provided by licensed lawyers or notaries; or iv. services of expert witnesses or factual witnesses used in court or legal proceedings