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Policy

This Procurement Policy establishes mandatory practices for the acquisition of goods and services within Hamilton Child and Family Supports (HCFS) ensuring compliance with Ontario's BPS Procurement Directive. The policy is designed to support transparency, accountability, value for money, and ethical sourcing across all procurement activities.

As per BPS requirements, certain components of this policy, including the Approval Authority Schedule, must be approved by the Board of Directors. The full policy has been approved with the most recent date of approval on November 26, 2024.

Policy Requirements

1. Ethical Code of Conduct and Conflict of Interest

HCFS upholds high standards of integrity in procurement, requiring all activities to be fair, transparent, and free from conflicts of interest. Suppliers will be treated equitably, and no gifts or favors are permitted to influence procurement decisions.

Refer to policy Procurement Code of Ethics and Conflict of Interest.

2. Approval Authority

(Mandatory Requirements #2, 3)

Prior to commencement, any procurement must be approved by the appropriate approval authority.

The total value of procurement includes the cost of freight and installation but not taxes. For multi-year procurements, the total projected value for the entire period of the anticipated agreement including optional renewals must be used and multiple purchases may not be used to circumvent competitive procurements.

Procurement of Goods & Non-Consulting Services

HCFS has established an Approval Authority Schedule (AAS) for procurement of goods and non-consulting services (refer to *Appendix A*). This schedule reflects the different dollar thresholds and the related procedure and approval authority.

For deviations from the AAS procedures for procurement of goods and non-consulting services, the level of approval authority must shift one level higher than the level as stated in the AAS.

Consulting Services

For consulting services, a competitive process is mandatory at all thresholds. Procurement of consulting services must follow the AAS for consulting services (refer to *Appendix A*).

Deviations from the AAS for procurement of consulting services for exemptions must be approved as follows:

- Non-competitive procurement of consulting services up to \$100,000 must be approved by the Executive Director.
- Non-competitive procurement of consulting services of \$100,000 or more requires Board of Director approval. (The BPS Directive requires non-competitive consulting over \$1,000,000 to be approved by the Board of Directors but HCFS has adopted a lower limit)

Exceptions & Exemptions to this Policy

(Mandatory Criteria #21)

Licensed professionals except engineers, land surveyors, architects and accountants, specific services for clients, utilities, and witness services for court proceedings are exempt from this policy (refer to *Appendix B* for more details).

Where HCFS has relied on an exception or exemption to this policy, the rationale for the exception or exemption must be formally documented.

HCFS must demonstrate:

- The rationale for selection of the particular supplier over available suppliers
- How fees charged are commensurate with services being procured

Exemptions and exceptions relate to the procurement of the goods/or services only. All other requirements of the policy apply, including documentation, contract management, supplier management, etc.

3. Segregation of Duties

(Mandatory Requirement #1)

To prevent conflicts of interest and errors, procurement activities are divided among at least three of the five key roles: Requisition, Budgeting, Commitment, Receipt, and Payment. Staff

members involved in supplier selection cannot be solely responsible for payment approval or financial recording.

4. Supplier Pre-Qualification and Vendor Selection

(Mandatory Requirements #4, 5, BOBI)

- Suppliers are selected through non-competitive, invitational, or open competitive processes. Vendor selection is based on fair pricing, reliability, and quality.
- Vendor of Record arrangements should be used whenever possible.
- Where results of informal supplier or product research are insufficient, formal processes such as a Request for Information (RFI) or Request for Expression of Interest (RFEI) may be used if warranted, taking into consideration the time and effort required to conduct them. A response to RFI or RFEI must not be used to pre-qualify a potential supplier and must not influence the chances of participating suppliers becoming the successful proponent in any subsequent opportunity.
- Suppliers may be prequalified to:
 - Gather information about supplier capabilities and qualifications for an immediate purchase.
 - Gather information about supplier capabilities in advance of expected future competitive procurements.

In development of “Request for Supplier Qualification” HCFS must include language to ensure there is no obligation to purchase goods or services as the result of prequalification.

- In alignment with the Building Ontario Businesses Initiative (BOBI), HCFS applies a preference for Ontario or Canadian businesses, especially for procurements below trade agreement thresholds. For larger contracts, evaluation criteria will include a scoring weight for proposals that demonstrate local economic benefits (see 6. Competitive Procurement Documentation and Evaluation below).

5. Competitive Procurement

(Mandatory Requirement 6,7,8 and Interim Measures)

The following items apply to all competitive procurements over \$121,200 (i.e., open competitive procurements).

- A Vendor of Record arrangement should be used whenever possible and appropriate. If it is not possible to use a VOR, a Procurement Rationale Report must be submitted to the Ministry at least 45 days before the procurement is released to the vendors.

- A new contract, including extensions, should not exceed two years. In cases where a new contract will exceed two years, a Procurement Rationale Report must be submitted to the Ministry at least 45 days before the procurement is released to the vendors.
- Open competitive bid documents must be made available through an electronic tendering system that is readily accessible by all Canadian suppliers, such as MERX or Ontario Public Buyers Association.
- Response times for vendors to bid must be a minimum 15 calendar days. For procurements with a higher degree of complexity, risk or value over \$366,800, a minimum response time of 30 calendar days is required.
- Competitive procurement documents must clearly identify a bid submission date and time which falls on a regular working day (Monday to Friday, excluding holidays). Submissions received after closing time must be returned unopened.
- Competitive procurement documents must include bid dispute resolution procedures to ensure that any bid disputes are handled in a fair, ethical, reasonable and timely fashion. HCFS must ensure that such resolution procedures comply with similar procedures set out in the Agreements on Internal Trade.

6. Competitive Procurement Documentation and Evaluation

(Mandatory Requirements 9, 10, 11, 12, 13, 14, 25)

The following items apply to all competitive procurements over \$121,200 (i.e., open competitive procurements).

- Evaluation criteria must be developed, reviewed, and approved prior to the commencement of the procurement process. See guidelines in the procedures.
- Competitive procurement documents must disclose evaluation criteria and include mandatory, rated, and other criteria that will be used in evaluation of submissions, including the weight of each criterion (see procedures).
- The maximum justifiable weight must be allocated to the cost/price component of the evaluation criteria.
- Criteria may not be structured to discriminate or provide preferential treatment to any supplier.
- Mandatory criteria must be kept to a minimum to ensure that no bid is unnecessarily disqualified.
- Weighted criteria will include BOBI requirements to procure goods and services from Ontario businesses and businesses of Ontario's trading partners (see procedures).

- Clearly state that bids not meeting mandatory requirements will be disqualified.
- Disclose the methodology that will be used to evaluate bids, including the method of resolving a tie score.
- Clearly state that alternative strategies or solutions will not be considered unless specifically requested in the procurement documents. If such a request is included, the procurement documents must disclose the criterion that will be used to evaluate alternative strategies and solutions.
- Include the terms of the agreement and any options to extend the agreement.
- Outline bid dispute resolution procedures to ensure that any dispute is handled in an ethical, fair, reasonable, and timely fashion (see procedures).

The procurement documents should include a form of agreement that will be used for the final contract.

Evaluation criteria can only be altered by an addendum to the competitive procurement documents.

Evaluation Process

HCFS shall create evaluation teams for the purpose of evaluating competitive bids. The evaluation team will be made up of three members. The evaluation team members who are selected for this review should be familiar with both HCFS's needs and with the goods or services being sought.

Evaluation Teams must:

- Be aware of restrictions related to use of confidential and commercially sensitive information collected through the procurement process.
- Follow the Procurement Code of Ethics and Conflict of Interest Policy
- Individually and independently complete an evaluation matrix to rate each submission.
- Ensure that all commentary or ratings are fair, factual, and defensible.
- Not discriminate or exercise preferential treatment in awarding contracts as the result of the competitive procurement process.
- Declare the winning bid according to the supplier that receives the highest evaluation score and meets all the mandatory requirements set out in the procurement documents.

7. Contract Management and Documentation

(Mandatory Requirement 12, 15, 16, 17, 18, 19, 20, 21, 22, 23)

Contracts must be executed prior to the provision of goods or services. Where the competitive procurement documents include a form of agreement, that form is to be used to finalize the agreement. Where an alternative strategy has been used and there is no form of agreement in the procurement documents, the agreement between HCFS and the vendor must be defined formally in a signed contract before delivery of the goods or services.

If an immediate need exists and a contract has not been finalized, an interim purchase order may be used. The justification must be documented and approved by the Director of Finance or Executive Director.

All procurement documentation, including approvals, evaluations, and contracts, must be retained for at least seven years. The documentation must be maintained to ensure confidentiality of the suppliers' information. Staff handling and having access to this information must be aware of HCFS's requirement to protect commercially sensitive information.

Contracts must include:

- appropriate cancellation or termination clauses
- a defined start and end date
- a dispute resolution process
- for services:
 - clear terms of reference including objectives, background, scope, constraints, staff responsibilities, tangible deliverables, timing, progress reporting, approval requirements, and knowledge transfer requirements.
 - expense claim and reimbursement rules compliant with HCFS's Reimbursement of Expenses Policy.

Contracts should not be extended beyond the terms set out in the competitive procurement documents. Extensions of agreement beyond those set out in the procurement documents where the extension affects the value and/or stated deliverables of the procurement are a non-competitive procurement and must be approved by the next level up in the AAS.

For competitive procurements over \$121,200 (i.e., open competitive procurements):

- After the agreement between the successful supplier and HCFS has been executed, a contract award notification must be posted in the same manner as the procurement documents were posted. The Contract award notification must list the name of the successful supplier, agreement start and end dates, and any extension options.
- HCFS must inform all unsuccessful suppliers about their entitlement to a debriefing. Unsuccessful suppliers must be allowed 60 calendar days following the date of the contract award notification to request a debriefing.

HCFS shall ensure that:

- All procurements and the resulting contracts are managed responsibly and effectively.
- Payments are made in accordance with the terms of the contract; invoices must contain detailed information sufficient to warrant payment; and any overpayments are recovered in a timely manner.
- Supplier performance is managed and documented and any performance issues are addressed.

This policy applies to

- ☒ Staff ☒ Students ☐ Foster parents ☐ Volunteers
- ☒ Contractors and Consultants involved in procurement activities ☒ Board Members

Definitions, if applicable

| Term | Definition |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Accountability | The obligation to demonstrate the appropriate use of public funds in procurement decisions. |
| Competitive Procurement | Procedures for developing procurement contracts by soliciting bids or proposals. |
| Conflict of Interest | Situations in which personal considerations may bias judgment in procurement activities. |
| Goods | Supplies, equipment, materials, and structures delivered, installed, or constructed. |
| Services | Includes construction, maintenance, and professional services. |
| Consulting Services | The provision of expertise or strategic advice that is presented for consideration and decision making. |
| Competitive Procurement | Procedures for developing procurement contracts through impartial bidding or proposal processes. |
| Invitational Competitive Procurement | Requesting a minimum of three (3) qualified suppliers to submit a written proposal in response to defined requirements. |
| Open Competitive Procurement | Advertising supply opportunities through accessible electronic tendering. |
| Vendor of Record | Vendor of Record arrangement could be an Enterprise Vendor of Record arrangement managed by Ministry of Government and Consumer Services, or any other arrangement available to HCFS. |
| Building Ontario Businesses Initiative (BOBI) | New legislation that came into effect on January 1, 2024. The objective of BOBI is to leverage Ontario's public sector spending to help Ontario/local businesses. |
| Mandatory | These are the Mandatory Requirements listed in the Broader Public Sector |

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| Requirements | (BPS) Procurement Directive. They are noted to allow users to cross reference to the document and for the annual BPS attestation. |
| Refer to BPS Procurement Directive, Section 9 for additional defined terms. | |

Related Procedure

Competitive Procurement Documentation – Ontario Suppliers

All Request for Quotation (RFQ), Request for Proposal (RFP), Request for Tender, (RFT) documents must have language requiring suppliers that bid to attest to their status as an Ontario Supplier. The following definition of an Ontario Supplier must be used.

Ontario Supplier Definition:

A supplier or manufacturer that has:

- headquarters or a main office in Ontario;
- regularly conducts its activities on a permanent basis in Ontario (i.e., produces manufactured goods, intangible goods or services); and
- is clearly identified by name and is accessible during normal business hours.

Approval Authority

As per the AAS, 3 quotes are not required for items less than \$10,000. However, where possible, for items greater than \$5,000 and less than \$10,000, 2 verbal quotes should be obtained. Consideration should be given to balancing administrative burden, efficiency and value for money.

Evaluation Criteria

For all competitive procurements over \$121,200, evaluation criteria must include criteria to promote purchases from Ontario or Canadian businesses whenever possible. The following BOBI-related questions may be included in procurements. Additionally other business criteria around social and ethical standards may be considered (including environmental, labour, safety and equity standards).

These questions must be weighted from 25% to 45% of the total value of the scoring.

BOBI Questions:

1. The proponent is to describe their policies regarding mitigating supply disruptions. The answer should include whether the proponent has multiple manufacturing and storage facilities, including whether the proponent has manufacturing and/or distribution in Ontario. If not, what strategies are in place to maintain supply continuity during disruptions to the normal course of business?
2. The proponent is to describe an estimated response time, turnaround time and/or in-person resolution at a member location in the event of an issue with the product or service.

3. Proponent is to describe environmental impact associated with the transportation/provision of goods or services, e.g., CO2 emissions to members. How many kilometers, on average, do the goods have to travel from your manufacturing locations to the province of Ontario where services are delivered.
4. Proponent is to describe and demonstrate that they meet or exceed Environmental and Labour Laws in the Province of Ontario.
5. Proponent is to describe if the creation, use/commercialization, or innovation and technology adoption of intellectual property is created in the Province of Ontario.
6. Proponent is to describe the knowledge and experience of the impacted stakeholders in the Province of Ontario.
7. Proponent is to describe the capital investment; use of local supply chain (including SME suppliers); skills development and training programs; innovation through research & development; economic benefits to the communities in the Province of Ontario.
8. Proponent is to describe the use of local materials for goods/content; potential job creation; small business development; community revitalization, in the Province of Ontario.

Evaluation Criteria should be structured as follows:

- Operational Criteria 45-55%
- Financial Criteria 20-30%
- BOBI Criteria 25%

Operational Criteria may include qualifications and experience, strategy, approach, methodology, scheduling and past performance, facilities, equipment and pricing.

Bid Dispute Resolution Process:

For open competitive procurements over \$121,200, unsuccessful proponents may appeal the decision to HCFS. HCFS shall form a panel to hear the appeal. The composition of the panel shall consist of staff more senior than the most senior person on the evaluation panel. If the competitive process was found to be unfair, HCFS may cancel the competition or compensate the proponent with the cost of preparing for the proposal.

Related Resources

- [Appendix A: Approval Authority Schedule](#)
- [Appendix B: Exemptions and Exceptions to Competitive Procurement Requirements](#)
- [Broader Public Sector \(BPS\) Procurement Directive, 2024](#)
- [Building Ontario Businesses Initiative – A Guide for Buyers](#)
- [Procurement Code of Ethics and Conflict of Interest](#)

- [Delegation of Financial Authority](#)
- [Reimbursement of Expenses](#)

Appendix A: Approval Authority Schedule

The following charts specify procurement limits and procurement modes for the procurement of Goods and Non-Consulting Services and for Consulting Services.

Goods and Non-Consulting Services

| Total Procurement Value | Required Approval | Procurement Method | Means of Procurement |
|--------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------|-----------------------------|
| \$0 up to but not including \$10,000 | See Spending Authority (Delegation of Financial Authority Policy) | No quotes required | N/A |
| \$10,000 up to but not including \$121,200 | See Spending Authority (Delegation of Financial Authority Policy) | Invitational Competitive or existing Vendor of Record | Purchase Order/ Contract |
| \$121,200 or more | See Spending Authority (Delegation of Financial Authority Policy) | Open Competitive or existing Vendor of Record | Request for Proposal/Tender |

Consulting Services

| Total Procurement Value | Required Approval | Procurement Method | Means of Procurement |
|---------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------|-----------------------------|
| \$0 up to but not including \$100,000 | Executive Director and Director of Finance | Invitational Competitive | Contract |
| \$100,000 up to but not including \$121,200 | Executive Director – if within approved budget Board of Directors – if not within approved budget | Invitational Competitive | Contract |
| \$121,200 or more | Executive Director – if within approved budget Board of Directors – if not within approved budget | Open Competitive | Request for Proposal/Tender |

Appendix B: Exemptions and Exceptions to Competitive Procurement Requirements

Hamilton Child and Family Supports (HSCFS) should employ a competitive procurement process to achieve optimum value for money. It is recognized however that certain circumstances and activities may require HCFS to use non-competitive procurement. The circumstances and activities that will be excluded from the competitive procurement requirements of this policy are noted below. These exceptions are generally consistent with the Agreement on Internal Trade (AIT) or other trade agreements.

The exception is for a non-competitive procurement of the good or service that falls within the categories listed and is not an exemption with respect to the administration, documentation, contract management, or other requirement of the procurement policy.

Licensed Professionals

The procurement of services from licensed professionals excluding engineers, land surveyors, architects and accountants are exempted from competitive procurement requirements.

Specific Services for Clients

Boarding rate expenditures including reimbursable expenses paid to foster caregivers and Outside Paid Resources (OPR); and support services for the care of children and youth that have been placed by HCFS; and services for other individuals and families who are clients of HCFS are exempted from competitive procurement requirements.

Utilities and witness services for court proceedings are also exempt from competitive procurement requirements.

Single and Sole Source Supply

Where only one supplier is available to meet the requirements of HCFS's procurement, including the following circumstances:

- to ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licenses, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative;
- where there is an absence of competition where the goods or services can be supplied only by a particular supplier and no alternative or substitute exists;
- for work to be performed on behalf of HCFS through a building lease agreement where the lessor will invoice costs back to the lessee;
- for work to be performed according to provisions of a warranty or guarantee held in respect of the original work;

- for the procurement of a prototype or a first good or service to be developed that may be needed for research purposes, a particular study or other original purposes;
- for the purchase of goods under duress such as bankruptcy or receivership, where HCFS has clearly documented the advantageous value that would be received;
- for the procurement of real property;
- 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 cannot be made for economic/technical reasons or would cause significant inconvenience or substantial duplication of costs.

All single or sole source awards must be published.

Limiting Circumstances

Limiting circumstances may exist where inherent factors limit the procurement process that can be undertaken. Under limiting circumstances, HCFS can deviate from competitive procurement requirements provided it does not do so for the purpose of avoiding competition between suppliers or in order to discriminate against suppliers. Limiting circumstances may include:

- Where 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 HCFS confidentially, cause economic disruption or otherwise be contrary to the public interest.
- In the absence of a receipt of any bids in response to a call for tenders made in accordance with the directive.

Emergency Situations

For the purpose of this procedure, an “emergency” means a situation where the immediate purchase of goods and services is essential to prevent serious delays in service delivery or to prevent or remedy damage to organization property or to restore an essential service; and the event was not foreseeable by HCFS.

An “emergency” includes an imminent or actual danger to the life, health or safety of an official or an employee while acting on HCFS’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 HCFS.

Under emergency circumstances, the Executive Director has the authority to take the necessary steps to address the emergency only if it is strictly necessary and will subsequently inform the Board of Directors of the actions taken setting out the details of any purchases made pursuant to this authority and the circumstances justifying the action taken.