

**Manitoulin-Sudbury District Services Board
POLICY & PROCEDURES MANUAL**

Section: B. General Administration	Effective Date: Feb 1, 2021
Topic: 3. Finance	Replaces: July 1, 2010
Subject: 3.08. Procurement Policy	
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POLICY

Purpose

The main principle of this policy is to ensure that the required quality and quantity of goods and services are procured in the most efficient and economical manner and to ensure the objective and equitable treatment of all vendors. To strive to obtain goods and services using the optimum combination of quality, service, and price in making purchasing decisions.

General Objectives

1. Avoid conflict of interest by having all parties involved in calling tenders declare a conflict of interest if one exists or is perceived to exist.
2. Procure the necessary quality and quantity of goods and services in an efficient and cost-effective manner.
3. Encourage the most honest, fair, and open competition and bidding processes practicable for the acquisition of goods and services.
4. Consider the total cost of the bidding process, acquisition, repair, staff training and operation rather than only the lowest invoice price.
5. Give full consideration to the annual aggregate value of specific goods or services that will be required by the Board prior to determining the appropriate acquisition method.
6. Consider the total project cost of an undertaking prior to determining the appropriate acquisition method.
7. Procure necessary goods and services with due regard to the preservation of the natural environment, to encourage vendors to supply goods made by a method resulting in the least damage to the environment and to encourage vendors to supply goods incorporating recycled material where practicable.
8. Comply with all Manitoulin-Sudbury DSB policies and any applicable statutory obligations.

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9. Apply the same conditions of tendering to each vendor who tenders, avoiding any practice which may be perceived as giving one party an improper advantage over another or which could be perceived as collusion on tendering.
10. Provide tender documents that clearly specify requirements to allow vendors who are tendering to accurately price/cost out.
11. Keep confidential until tender opening, to all persons, the number, source, details of tenders received.
12. Ensure service and product delivery efficiency and effectiveness.
13. Avoid waste and duplication with respect to acquisition of goods and services across all programs through the aggregation of purchases across departments.
14. Follow good business practices and protect the financial best interest of the DSB while satisfying the public need for openness, efficiency accountability and transparency.

PROCEDURE

1. Application

- 1.1 The procedures in this policy shall be followed to award a contract or to recommend to the Board Chair that a contract be awarded based on the following types of tenders.
- 1.2 The procurement of legal services shall be contracted by the CAO or designate.
- 1.3 The procurement of audit services, banking and Insurance services shall be awarded as follows:
 - Audit services on a maximum cycle of eight years with the next tender to go out in 2014 following completion of the prior year audit.
 - Banking service on a maximum cycle of eight years cycle with the next tender going out in 2015.
 - Insurance services on a maximum cycle of five years with the next tender going out in 2011.

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Summary of Tender Types

Tender Type	Limits based on Estimate	Award By	Bonding	Basic Holdback	Advertising
Quotations	Less than \$30,000.	Staff	Not required	Not Required at the discretion of DSB	No
Short-Form Tenders	\$30,000 to \$100,000	Public Tender Committee	Not required	10% of the value of the contract to be returned 45 days following "successful completion" (defined in Policy B.3.09. as 100% complete project).	At the discretion of the DSB
Public Tenders	Exceeding \$100,000	Public Tender Committee	Agreement to Bond indicating 50% Performance Bond and 50% Labour and Material Payment Bond for Invitation to Tenders (ITTs) (for construction projects) dependent on type of project (new construction and similar) and estimated budget of project (over \$1million) or Bid Bond	10% to be returned 45 days following "successful completion" (defined in Policy B.3.09. as 100% complete project).	Yes Advertised to obtain a reasonable number of bids in journals best suited to attract qualified and experienced contractors or suppliers.

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2. Restrictions

- 2.1 No contract for goods, services or construction may be divided into two or more parts to avoid the application of the provisions of this policy.
- 2.2 Every effort will be made to aggregate purchases across departments to ensure volume savings are realized.
- 2.3 No contract for services shall be awarded where the services would result in the establishment of an employer-employee relationship.
- 2.4 No employee shall purchase, on behalf of the DSB, any goods, services, or construction, except in accordance with this policy.
- 2.5 Where an employee or Board member involved in the award of any contract, either on his or her own behalf or while acting for, by, with or through another person, has any pecuniary interest, direct or indirect, in the contract, the employee shall immediately disclose the interest to the CAO/Director/Manager involved in the award of the contract, shall describe the general nature thereof and shall not take part in the award of the contract or in any way to influence the award of the contract.
- 2.6 An employee or Board member has an indirect pecuniary interest in any contract in which the DSB is concerned if:
 - 2.6.1 The employee or his or her spouse or same-sex partner or relative;
 - 2.6.2 The employee is a shareholder in, or a director or senior officer of a corporation that does not offer its securities to the public that has a pecuniary interest in the contract;
 - 2.6.3 Has a controlling interest in or is a director or senior officer of a corporation that offers its securities to the public that has a pecuniary interest in the contract, or the employee or his or her spouse or same-sex partner or relative is in the employment of a person, unincorporated association or partnership that has a pecuniary interest in the contract.

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2.7 All Board Members shall conduct themselves in accordance with the Municipal Conflict of Interest Act and this policy.

2.8 Undue Influence.

2.8.1 No person, company, corporation, or organization shall use undue influence to attempt to affect the outcome of any DSB purchasing process.

2.8.2 The bid, quotation or proposal of any person, company, corporation, or organization that does attempt to use undue influence to affect the outcome of any DSB purchasing or disposal process will be disqualified, and the person, company, corporation, or organization may be subjected to exclusion or suspension.

2.8.3 This part does not apply to employees of the DSB whose duties include evaluating or making recommendations respecting DSB purchases, while they are carrying out those duties, or those of whom they must inquire in the course of a previously authorized inquiry.

3. General Purchasing Procedures

The CAO shall establish purchasing procedures consistent with this policy relating to:

3.1 The form, content and use of forms, whether electronic or printed, including requisitions, purchase orders, bonds, letters of credit and other forms of guarantee or surety, tender, proposal, and other contract documents;

3.2 The identification of those goods, services and construction which are more effectively acquired through cooperative purchasing and the level of DSB involvement in this purchasing exercise;

3.3 The designation of duties to any other properly authorized employee any part or parts of the responsibilities indicated in this policy;

3.4 Any other aspect of process or procedure not specifically provided for in this policy.

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4. Requests for Expressions of Interest

The CAO or appropriate Director/Manager will conduct a request for expression of interest for the purposes of determining the availability of suppliers of any goods, services, or construction for the purposes of keeping a list of available suppliers. A consolidated list of approved suppliers will be available to all departments. Policies concerning the procedures for establishing list of suppliers (reference) will be the responsibility of the CAO. Working within this policy, the list will be assembled by the appropriate Program Manager/Director

5.0 Purchasing Methods

The detailed purchasing methods for the purchase of goods, services or construction are listed in the Tendering Procedures document.

6.0 Negotiation Non-Competitive Non-Tender Method

All purchases are to be competitive where feasible. However, there may be circumstances where this is not possible or in the best interest of DSB. In these situations, goods, services, or construction may be required to be purchased without a competitive bidding process. Notwithstanding any other provisions of the procurement policy, the appropriate Director / Manager with the consent of the CAO may enter into negotiation with one or more vendors for the supply of goods or services when any of the following conditions exist:

- 6.1 In emergency situations, Directors, Managers and Supervisors do have the authority to take whatever measures are reasonably necessary to protect health and welfare of individuals and DSB property. In emergency situations, the program Director or Manager is to be notified of the situation within 24 hours and the CAO is to be advised of the actions taken within 48 hours.
- 6.2 The required item is covered by an exclusive right such as a patent, copyright, or exclusive license.
- 6.3 The purchase is already covered by a lease-purchase agreement where payments are partially or totally credited to the purchase.

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- 6.4 To ensure compatibility with existing products and service requirements.
- 6.5 To avoid violating warranty/guarantee requirements when service is required.
- 6.6 To ensure compliance with provincial or federal requirements.
- 6.7 When no bids were received in a competitive process.
- 6.8 When the required goods or services are in short supply due to market conditions or there is only one source of the subject goods or services.
- 6.9 The extension or reinstatement of an existing contract would be more cost effective or beneficial to the DSB.

7.0 Deposits and Securities

7.1 Bid Bond

In order to enable the DSB to ensure that only qualified contractors are considered in the tendering process, **an Agreement to Bond, or** a bid bond in the form of certified cheque, bank draft, money order, irrevocable letter of credit, or a licensed bonding or surety company, **may be required**. The bid bond will be returned to the contractor at substantial completion which is defined as 90% completion of the services and materials provided.

7.2 Basic Holdback

A basic holdback will be required on all short form tenders and public tenders and is 10% of the price of services and materials as they are supplied under the contract including subcontracts. The basic holdback is intended to enable the DSB to ensure completion of a contract and that all liens which may be claimed against the holdback have expired. The basic holdback will be paid out 45 days after the date of successful completion (99% completion of the contract or less than \$1,000 remaining in defect work). Upon the award of a tender, the successful bidder will also be required to provide proof of insurance and certificate of clearance from the Workplace Safety and Insurance Board (WSIB).

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8. Contract/Purchase without Budgetary Appropriation

Where it is deemed necessary to obtain goods, services or construction and funds are not contained within the current Board approved budget the appropriate Director/Manager shall, prior to commencement of the purchasing process, submit a report to the CAO containing the need for the expenditure and the availability of the funds within existing estimates, which were originally approved by the Board for other purposes, or the requirement of additional funds.

9. Emergency Purchases

Where an Emergency exists that requires the immediate procurement of goods, services or construction, the CAO/Director/Manager may purchase the required goods, services, or construction by the most expedient and economical means, notwithstanding any other provision of this policy. The program Director or Manager is to be notified of the situation within 24 hours and the CAO is to be advised of the actions taken within 48 hours.

10. Cooperative Purchasing

The DSB may participate with another government agency, private sector company or public authority in cooperative purchasing where it is in their best interest to do so and where the purposes, goals and objectives of this policy are complied with by such government agencies, a private sector company and/or public authorities.

11. Access to Information

The disclosure of information received relevant to the issue of Bid Solicitation or the Award of Contracts emanating from Bid Solicitations shall be in accordance with the provisions of the *Municipal Freedom of Information and Protection of Privacy Act*, as amended.

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12. Purchasing Policy Exclusions

The purchasing methods described in this policy do not apply to the following Goods and Services:

- 12.1 Training and Education: conferences, seminars, courses and conventions, memberships, periodicals, magazines and subscriptions, staff training, development, and workshops
- 12.2 Refundable Employee/Board Expenses: meals, travel expenses, hotel accommodation
- 12.3 Employer’s General Expenses: medical and dental expenses, bank charges and insurance services where covered by agreements.
- 12.4 Service contracts including annual amendments or new contracts for program services contracted with community social service agencies under the approved budget.
- 12.5 Ongoing maintenance for provincially mandated computer hardware and software.
- 12.6 Provincially mandated and specified medical equipment and supplies
- 12.7 Other - Advertising services required by the Board

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13. Selection Criteria by Program

Selection of a contractor/supplier will be based on the following criteria:

Service or Product	Responsible Position	Considerations in order of priority
Facility repairs to Social Housing units and other DSB properties New construction	Supervisor Infrastructure & Asset Management	<p>For Request for Quotes (RFQs) and Invitation to Tenders (ITTs): Award may be based on lowest compliant bid (price only) as long as mandatory requirements have been met i.e., insurance, WSIB, conflict of interest etc.)</p> <p>For Request for Proposals (RFPs):</p> <ol style="list-style-type: none"> 1. Company history and experience - 15 points 2. Consulting team qualifications and experience - 25 points 3. Understanding of project - 15 points 4. Study steps / methodology - 25 points 5. Proposal price - 20 points <p>Categories may be added or deleted as appropriate. Weighting may be revised as appropriate.</p>

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IT equipment including Servers, computers, copiers, printers, telephones	Information Systems Manager	<ol style="list-style-type: none"> 1. Compatibility with existing equipment 2. Reliability 3. Availability of service 4. Price
IT - service agreements and telecommunications	Information Systems Manager	<ol style="list-style-type: none"> 1. Knowledge level of service provider 2. Reliability 3. Price
EMS – ambulances, stretchers, defibrillators	EMS Director	<ol style="list-style-type: none"> 1. Adherence to MOHLTC standards 2. Compatibility with existing equipment 3. Price
EMS – consumables medications, uniforms	EMS Director	<ol style="list-style-type: none"> 1. Adherence to MOHLTC standards 2. Price
Ontario Works Client educational or training services	Director of Social Services with input from Ontario Works Supervisor	<ol style="list-style-type: none"> 1. Appropriateness of service for client group 2. Proven performance 3. Price
Office and paper consumables and minor equipment - papers, binders, staplers etc. – cleaning supplies, light bulbs all programs	Director of Finance	<ol style="list-style-type: none"> 1. Product quality 2. Price

14. Review

This policy shall be reviewed by the Board at such time that major revisions are required.