

LAMBTON COUNTY DEVELOPMENTAL SERVICES POLICIES AND PROCEDURES MANUAL			
Section:	Administrative & Financial	Ref. No.	AF5.100
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1 POLICY

- 1.01 It is the policy of LCDS that publicly funded expenditures and/or commitments, purchases of goods and services, construction services and information technology are acquired by LCDS through a process that is open, fair, and transparent and that they are acquired in accordance with this policy.

Ontario Broader Public Sector Supply Chain Code of Ethics

Goal: to ensure ethical, professional and accountable Broader Public Sector supply chain

1. Personal Integrity and Professionalism

All individuals involved with purchasing or other supply chain-related activities must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all supply chain activities within and between BPS organizations, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. All 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.

2. Accountability and Transparency

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

3. Compliance and Continuous Improvement

All individuals involved in purchasing or other supply chain-related activities must comply with this Code of Ethics and the laws of Canada and Ontario. All individuals should work continuously, to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading practices.

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2 PURPOSE/OUTCOME EXPECTED

- 2.01 The policy will ensure compliance with the Broader Public Sector (BPS) Accountability Act, 2010 and the BPS Procurement Directive.
- 2.02 The policy will ensure that LCDS acquires good and services to meet its needs in the most economical and efficient manner through processes that conform to the following principles:
- 2.02.1 **Internal Accountability and Responsible Management:**
- i) LCDS will identify staff members accountable for compliance with the policy and the BPS Act, 2010 and Directive.
 - ii) Goods and services procured by LCDS must be responsibly and effectively managed through the agency's organizational structures, systems, policies and procedures
- 2.02.2 **Transparency:**
- i) The procurement process will be conducted in a fair and transparent manner providing equal treatment to qualified vendors.
 - ii) Vendor relationships will not be created to create continuous reliance on a particular vendor or service provider for a particular type of work.
 - iii) Will reduce business risk and the potential for conflicts with colleagues and externally with vendors and /or service providers
- 2.02.3 **Value for Money:** goods and services will be acquired only after consideration of agency business requirements, alternatives, timing, supply strategies and procurement methods.
- 2.02.4 **Quality Service Delivery:** providing all stakeholders with quality services delivered in an effective, consistent and responsible manner.
- 2.02.5 **Process Standardization:** providing agency with clear directions and expectations will improve productivity and fiscal effectiveness.

3 SCOPE

- 3.01 This policy applies to the procurement of all goods and services required by LCDS.

4. RESPONSIBILITY

- 4.01 *The Board of Directors* is responsible to ensure the organization complies with legislation and regulations, including the BPS Procurement Directive.

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4.02 *LCDS Strategic Leadership Team* is responsible for implementing procedures that fully comply with this Policy and BPS Procurement Directive by utilizing these four elements:

- i) **Supporting:** mandatory requirements will be reviewed with all stakeholders and internal customers before they are implemented.
- ii) **Communicating:** regularly communicate the mandatory requirements as well as the benefits of their implementation to all key stakeholders.
- iii) **Monitoring:** Implement appropriate mechanisms to ensure that all stakeholders are complying with the mandatory requirements.
- iv) **Follow-up:** Regularly solicit feedback from key stakeholders regarding existing policies and procedures. Procurement policies and procedure should be reviewed every two years

LCDS Strategic Leadership Team is responsible for ensuring that the Procurement process is adequately documented and that all documentation is properly retained for record-keeping and auditing purposes.

4.03 *All LCDS Employees* involved in Procurement will fully comply with this Policy and related procedures.

5. DEFINITIONS

5.01 In this policy,

“All Stakeholders” means all board members, Directors and employees of LCDS or their equivalents.

“Approval Authority” means the authority delegated by the Agency to a person designated to occupy a position to approve on its behalf one or more procurement functions up to specified dollar limits subject to applicable legislation, regulations and procedures effect at such time.

“AAS” means Approval Authority Schedule.

“BPS” means Broader Public Sector.

“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.

“Conflict of Interest” means a situation where an employee's personal relationship(s) or financial interest(s) could reasonably be seen as influencing the employee's duty to act in the best interests of LCDS.

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“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.

“Consultant or Consulting Services” means the provision or entity that under an agreement, other than employment agreement, provides expert or strategic advice and related services for consideration and decision-making.

“Goods and Services” means any goods, construction and services, including but not limited to information technology (IT), construction and consulting services.

“Information Technology” means the equipment, software, services and processes used to create, store, process, communicate and manage information.

“Invitational Competitive Procurement” means the contractual obligation (purchase or lease) of any goods or services, which enables some but not all suppliers to compete in a fair and open environment. Suppliers are invited to compete for the supply of the good or services. 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.

“Open Competitive Procurement” means the means the contractual obligation (purchase or lease) of any goods or services, which enables all suppliers to compete in a fair and open environment.

“Procurement” means the acquisition by any means, including purchase, lease, rental or conditional sale, of goods or services.

“Request for Expression of Interest (RFEI)” means a document used to gather information on supplier interest in an opportunity or information on supplier capabilities/qualifications. A response to an RFEI will not pre-qualify a potential supplier to a potential opportunity.

“Request for Information (RFI)” means a document issued to potential suppliers to gather general supplier, service or product information. A response to an RFI will not pre-qualify a potential supplier to a potential opportunity.

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“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.

“Request for Quotation (RFQ)” means a document used to request a quotation from potential suppliers that includes exactly the goods and services to be provided. The proposal evaluation is based solely on price.

“Request for Supplier Qualification (RSFQ)” means a document used to gather information on suppliers and qualifications, with the intention of creating a list of pre-qualified suppliers.

“Request for Tender (RFT)” means a document used to request suppliers to submit bids to provide goods or services based on stated delivery requirements, performance specifications, terms and conditions. The evaluation focuses on the delivery requirements and price.

“Segregation of Duties” means the separation of duties and responsibilities.

“Supply Chain Activities” means all activities directly or indirectly related to the agency’s planning, procurement and payment processes.

6. PROCEDURES

6.01 Segregation of Duties

LCDS will provide for segregation of duties across functions, roles and positions within the agency. Segregation of duties is an essential control that ensures integrity of the procurement process by reducing exposure to inappropriate, unauthorized or unlawful expenditures. Segregation of duties prevents any person from controlling the entire procurement process by segregating approvals for the key stages of the procurement process. Generally, the roles of requisition, budgeting, commitment, receipt and payment should be segregated.

Roles	Duties	Person(s) Responsible
Requisition	Authorize an order to be placed for good or services	End-user requesting product or service, Location Manager, GM-Property
Budget	Authorize funding is in place to cover the cost of the goods or services	Location budget administrator, Location Manager or delegate, GM-Property,

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		Director of Finance
Commitment	Authorize the release of the order to the supplier under agreed upon terms for the goods or services	Location Manager, Director of Finance, GM-Property or delegate
Receipt	Authorize that goods or services was received, correct and/or complete	Person responsible for receiving the goods, Location Manager, GM-Property or delegate
Payment	Authorize release of payment to supplier or contractor	Accounts Payable, Director of Finance

6.02 Approval Authority Schedule (AAS)

AAS ensures an effective system of internal control is in place and financial transactions are recorded, reported, processed efficiently and timely.

AAS Goods and Non-Consulting Services

Amount	Procedure	Approval Authority
\$0 up to \$1,000	Supporting invoices/receipts	Manager
\$1001 up to \$10,000	Supporting invoices/receipts, purchase request	Director
\$10,001 up to \$50,000	Invitational Competitive (at least three competitive quotes)	Executive Director
\$50,001 and up to \$99,000	Invitational Competitive (at least three competitive quotes)	Board of Directors
\$100,000 or more	Open Competitive (request for proposal)	Board of Directors

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Procurement AAS Consulting Services

Procurement Method	Procurement Value	Approval Authority
Invitational Competitive	\$0 up to \$99,000	As per AAS for goods and non-consulting services
Open Competitive (request for proposal)	100,000 or more	As per AAS for goods and non-consulting services

6.03 Competitive Procurement Thresholds

Goods and Non-Consulting Services

Procurement Value	Means of Procurement	Recommended/Required
\$0 to \$500	Petty cash, on account charge with supplier, agency credit card	Recommended
\$501 to \$5,000	On account charge with supplier, agency credit card	Recommended
\$5,001 to \$10,000	On account charge with supplier, agency credit card, invitational competitive procurement	Recommended
\$10,001 to \$99,000	Invitational competitive procurement	Required
\$100,000 or more	Open competitive procurement	Required

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Consulting Services

Procurement Value	Means of Procurement	Recommended/Required
\$0 to \$99,000	Invitational or open competitive procurement	Required
\$100,000 or more	Open competitive procurement	Required

6.04 Information Gathering

LCDS may use a Request for Information (RFI) or Request for Expression of Interest (RFEI) if the results of informal supplier or product research are insufficient. These requests are used for information gathering purposes only.

6.05 Supplier Pre-Qualification

LCDS, when deemed appropriate, will utilize a Request for Supplier Qualification (RSFSQ) in order to gather information about supplier capabilities and qualifications. Terms and conditions of the RFSQ must contain language that disclaims any obligation of the Agency to call on any supplier to provide goods or services as a result of pre-qualifications.

6.06 Posting Competitive Procurement Documents

LCDS will utilize three types of competitive procurement documents when required:

- i) Request for Proposal (RFP)
- ii) Request for Tender (RFT)
- iii) Request for Quotation (RFQ)

LCDS will ensure that calls for open competitive procurements are posted through an electronic tendering system in addition to any other format that the agency sees fit at the time of posting.

6.07 Timelines for Posting Competitive Procurements

LCDS will provide suppliers a minimum response time of 15 calendar days for procurement of goods and services valued at \$100,000 or more. LCDS will consider a minimum response time of 30 calendar days for procurement of high complexity, risk and/or dollar value.

6.08 Bid Receipt

LCDS will ensure that bid submission date and closing time will be clearly stated in competitive procurement documents. LCDS will ensure the closing

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date of competitive procurement process will be a normal working day (Monday to Friday) excluding Provincial/National Holidays. LCDS will ensure that all submissions delivered after the closing time will be returned unopened.

6.09 Evaluation Criteria

LCDS will ensure evaluation criteria are developed, reviewed and approved by an appropriate authority prior to commencement of the competitive procurement process. The evaluation criteria outlined in the competitive procurement documents must be used when selecting the winning submission.

6.10 Evaluation Process Disclosure

LCDS will ensure competitive procurement documents fully disclose the evaluation methodology and process to be used in assessing submissions, including the method of resolving a tie score. LCDS will ensure that competitive procurement documents state that any submissions that do not meet the mandatory criteria will be disqualified.

6.11 Evaluation Team

LCDS will ensure an evaluation team will be established for all competitive procedure process valued at \$100,000.00 or more. LCDS will ensure that each evaluation team member is aware of the restrictions related to utilization and distribution of confidential and commercially sensitive information collected through the competitive procurement process. LCDS will ensure each team member sign a conflict of interest declaration and non-disclosure of confidential information agreement.

6.12 Evaluation Matrix

LCDS will ensure that each evaluation team member completes an evaluation matrix, rating each of the submissions. Records of these evaluation scores will be retained for audit purposes. LCDS will ensure that everything evaluators say or write about submissions is fair, factual and fully justifiable.

6.13 Winning Bid

LCDS will ensure that the submission that receives the highest evaluation score and meets all mandatory requirements set out in the competitive procurement documents will be declared the winning bid.

6.14 Non-Discrimination

LCDS will ensure non-discrimination or exercise preferential treatment in awarding a contract to a supplier as a result of a competitive procurement process.

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6.15 Executing the Contract

LCDS will ensure the agreement between the organization and the successful supplier is formally defined in a signed written contract before the provision of supplying of goods or services commences.

6.16 Establishing the Contract

LCDS will ensure the contract is finalized using the form of agreement that was released with the procurement.

6.17 Termination Clause

LCDS will ensure appropriate cancellation or termination clauses are contained in every contract. LCDS will seek and obtain legal advice on the development of termination clauses.

6.18 Terms of Agreement Modifications

LCDS will ensure the terms of agreement and any options to extend the agreement are set out in the competitive procurement documents. An approval by an appropriate authority will be obtained before executing any modifications to the term of agreement. LCDS will seek and obtain legal advice before executing any modifications to the terms of an agreement.

6.19 Contract Award Notification

LCDS will ensure that contract award notifications valued at \$100,000.00 or more are posted in the same manner as the procurement documents were posted. Notification announcements must be posted only after the agreement between the successful supplier and LCDS is executed. LCDS will ensure contract award notifications list the name of the successful supplier, agreement start and end dates and any extension options.

6.20 Suppliers Debriefing

LCDS will ensure that for procurement contracts valued at \$100,000.00 or more, that all unsuccessful suppliers will be informed about their entitlement to a debriefing. LCDS will allow unsuccessful suppliers 60 calendar days following the date of the contract notification to request a debriefing.

6.21 Non Competitive Procurement

Not applicable to LCDS – pertains to trade agreements.

6.22 Contract Management

LCDS will ensure all procurements and the resulting contracts will be managed responsibly and effectively. LCDS will ensure all payments will be made in accordance with the provisions of the contract.

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6.23 Procurement Record Retention

LCDS will ensure for reporting and auditing purposes, all procurement documentation, as well as any other pertinent information is retained in a recoverable form for a period of seven years.

6.24 Conflict of Interest

LCDS will ensure all individuals involved with the Supply Chain Activities declare actual or potential conflicts of interests. Where a conflict of interest arises, it will be evaluated and an appropriate mitigating action will be taken.

6.25 Bid Dispute Resolution

LCDS will ensure all competitive procurement documents outline a bid dispute resolution procedure to ensure that any dispute is handled in an ethical, fair, reasonable and timely fashion.

7. REFERENCES and RELATED POLICIES

- AF2.210 Conflict of Interest
- BPS Accountability Act, 2010
- BPS Procurement Directive, 2011
- BPS Procurement Directive Implementation Guidebook
- BPS Procurement Directive Toolkit
- Community Living Elgin, Procurement Policy
- Griffin Centre, Financial Policies, Procurement and Purchasing
- Procurement Guideline for Publicly Funded Organizations in Ontario

8. FORMS or OTHER RELATED DOCUMENTS

None

REVISION HISTORY		
Date	Revision	Effective Date

