

Supply Chain
Guideline

April 2009

Version 1.0

PREFACE

Ontario's broader public sector (BPS) organizations have a proud tradition of striving to deliver high-quality public services efficiently and effectively, and have long recognized the need to continuously evaluate and be accountable for their operating performance.

Comprehensive and documented operating procedures are a hallmark of well-managed organizations. The larger the organization and the more people involved, the more critical operating procedures become. When organizations are participants in a bigger interlinked system, such as Ontario's broader public sector, documented procedures are vital to efficiency, effectiveness and accountability.

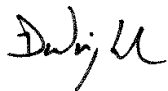
The BPS Supply Chain Guideline ("Guideline") is a foundational document. Prepared to support and help improve supply chain activities at Ontario's BPS organizations, this first edition includes two essential Principles towards the goal of supply chain excellence: a *Code of Ethics* and a *Procurement Policies and Procedures* standard.

It is anticipated that over time the Guideline will become a comprehensive and documented repository of many supply chain Principles, including leading practices, standards and metrics. Each Principle will be developed and validated in close collaboration with BPS organizations and related stakeholders so that they can implement it with confidence.

This first edition of the Guideline was developed in consultation with approximately 300 individuals representing over 150 organizations from across Ontario and numerous BPS subsectors: hospitals, community care access centres (CCACs), Local Health Integration Networks (LHINs), school boards, universities, colleges and shared service organizations. Valuable additional input was received from suppliers, service providers, associations and other stakeholders.

My thanks to everyone — far too many to name — for their commitment to getting the *BPS Supply Chain Guideline* off to a good start.

My thanks also to the dedicated staff at the Secretariat, namely Jim Hadjiyianni, Jennifer Ship, Jennifer Churchill, Marsha Chase and Iris Ko and to our team of consultants from Deloitte. The Guideline exists because of your long hours, talent for melding different viewpoints, and enthusiasm for collaborating with BPS stakeholders across Ontario.



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Chapter I | Introduction

Ontario's broader public sector (BPS) spends more than \$10 billion annually acquiring the goods and services needed to deliver healthcare, education and other vital public services. BPS supply chain activities need to support high-quality service delivery, but also be efficient and effective to allow BPS organizations to satisfy their accountability obligations.

The BPS Supply Chain Secretariat, Ministry of Finance (informally known as “OntarioBuys”) was established in 2005 to facilitate and accelerate the widespread implementation of integrated supply chain and other back-office leading practices by the BPS. As of early 2009, OntarioBuys had helped establish or expand nine shared service organizations for Ontario’s healthcare and education sectors. Over 40 leading practice projects had received funding — supporting BPS supply chain and back-office transformation throughout Ontario.

Through this work with the BPS, the absence of documented public sector supply chain leading practices, standards and metrics has become more apparent. Most large organizations have written operating procedures but these tend to be organization-specific, making it difficult to compare performance. Smaller organizations generally have some operating procedures but often lack the resources to ensure the procedures are comprehensive and up to date.

Many organizations advised OntarioBuys it was important to create and maintain a **guideline**, setting out “core of the core” supply chain leading practices, standards and metrics, and to facilitate ongoing **collaboration** to debate, evaluate and update the guideline over time. Numerous BPS supply chain personnel said that a guideline and associated collaboration would promote skill development, improve performance metrics, and allow them to engage internal customers and external suppliers more consistently and professionally.

This initial Supply Chain Guideline is an important contribution to those needs, being both a product itself and the product of an intensely collaborative and province-wide process.

1.1 PURPOSE

The Supply Chain Guideline (“Guideline”) has been prepared to support and improve BPS supply chain activities. Guideline Version 1.0 (2009) (“Guideline 1.0”) incorporates two Principles: a *Supply Chain Code of Ethics* and a *Procurement Policies and Procedures* standard. It is anticipated that future editions will include additional Principles — over time comprising a comprehensive range of **leading practices, standards** and **metrics**. Each edition will undergo rigorous consultation with BPS organizations and other stakeholders.

1.2 APPLICATION AND IN-SCOPE RECIPIENTS

In March 2008, Ontario’s Treasury Board of Cabinet directed that a Supply Chain Guideline be prepared and, as of April 1, 2009, be incorporated into the funding agreements of BPS organizations receiving more than \$10 million per fiscal year from the Ministries of Health and Long-Term Care, Education and Training, Colleges and Universities.

These organizations are referred to as “In-Scope Recipients.” The Guideline is also mandatory for shared service organizations (SSOs) owned or funded by In-Scope Recipients.

As a result of announcements in the 2009 Ontario Budget, it is anticipated that the definition of In-Scope Recipients will be broadened during 2009 to include additional BPS organizations.

Chapter II | The Supply Chain Principles

Supply chain management is a complex discipline, guided by a myriad of leading practices, standards and metrics. As a result, structured criteria were used to select and prioritize the Supply Chain Principles.

The following criteria guided the selection of principles for Guideline 1.0 and possible future editions:

Front-line benefits

Benefits for clients and their front-line service providers.

Broadly applicable

Relevance across a broad range of BPS institutions.

Reasonable

Reasonable to implement, maintain and track.

Measurable

Consistent, robust and verifiable across organizations.

Scalable

If complex or costly to implement, implementable in stages over time.

Operationally relevant

Material contribution to key operational indicators such as efficiency, quality and accountability.

“Core of the core”

Essential to the operation of a well-run supply chain.

An initial list of principles contained approximately 150 possibilities, from which 25 were selected for further consideration by working with subject matter experts and the collective expertise of the Secretariat. These 25 were more carefully studied, resulting in an initial set of 12 principles being discussed with BPS organizations and other stakeholders throughout the province during the 2008–09 round of consultations.

The selection criteria, combined with learning from the collaborative process, will inform the selection and content of the draft Principles for future versions of the Guideline. Rigorous consultation on draft Principles will continue during the 2009–10 fiscal year, with a revised Guideline likely to be issued late in the fiscal year.

2.1 GUIDELINE PRINCIPLES

It is currently anticipated that Guideline Principles will be grouped into three categories: leading practices, standards and metrics.

Leading practices are “any application of process, technology or people practices that allows organizations in a specific business context to function as efficiently and effectively as possible.”¹ Guideline **leading practices** will be recommended but voluntary.

As with leading practices, standards are operating policies and procedures that enable consistent and controlled business processes. However, Guideline **standards** are mandatory for In-Scope Recipients.

Metrics are performance measures that are specific, quantitative and prescriptive. As with standards, Guideline **metrics** are mandatory for In-Scope Recipients.

A fourth “category” is the *Supply Chain Code of Ethics*. The *Code of Ethics* is a standard — albeit one that is foundational to all leading practices, standards and metrics.

2.2 FIRST-YEAR PRINCIPLES

Guideline 1.0 has two Principles: the *Supply Chain Code of Ethics* and a *Procurement Policies and Procedures* standard.

2.2.1 SUPPLY CHAIN CODE OF ETHICS

The *Supply Chain Code of Ethics* sets out basic overarching principles of conduct for BPS organizations, their suppliers, advisors and other stakeholders. It is to be adopted by In-Scope Recipients by March 2010, although all BPS organizations are encouraged to adopt the Code as soon as practicable.

The complete Principle is provided in Chapter 4 and is supported by a detailed compliance checklist in Section 4.4.1.

2.2.2 PROCUREMENT POLICIES AND PROCEDURES

The *Procurement Policies and Procedures* standard sets out standardized rules for competitive procurement and contracting. The rules balance numerous objectives, including accountability, transparency, value for money and, ultimately, effective and high quality service delivery.

The complete Principle is provided in Chapter 5 and a summary list of the mandatory requirements is provided in Section 5.4.2.

¹ Page 2, *Integrated Supply Chain Management: A Leading Practices Compendium*. Queen’s Printer for Ontario, 2005.

Chapter III | Implementation

3.1 CONSULTATION

This guideline has been developed in consultation with numerous BPS organizations and their suppliers and other stakeholders.

3.1.1 2008-09 FISCAL YEAR

OntarioBuys embarked on an extensive stakeholder consultation process beginning in June 2008, culminating in 12 major sessions across the entire province in December 2008 and January 2009. Almost 300 stakeholders representing over 150 organizations participated. The sector representatives included 50 hospitals, 5 community care access centres (CCACs), 5 Local Health Integration Networks (LHINs), 35 school boards, 15 universities, 12 colleges, 5 shared service organizations and 39 suppliers. Those who could not attend a session were invited to complete an electronic form, or email comments directly to OntarioBuys.

The purpose of these sessions was to gather feedback on the two Guideline 1.0 Principles and certain proposed future principles.

3.1.2 2009-10 FISCAL YEAR

In 2009-10, OntarioBuys will conduct further consultations with BPS organizations and other stakeholders on principles being proposed for inclusion in the Guideline over the next 24 months. The goal will be both to validate the principles selected and to get feedback on proposed principle content. It is critical that all principles satisfy the Guideline Principles criteria both in theory and practice. In particular, principle content must be operationally relevant and reasonable.

The 2009-10 consultations will also review a proposed accountability framework, including metric benchmarks and reporting obligations.

3.2 TIMING

It is recognized that In-Scope Recipients need time to implement any Guideline Principles that they do not already have in place. To accommodate this, only two Principles — the *Supply Chain Code of Ethics* and *Procurement Policies and Procedures* — must be implemented initially, by March 2010. In practice, many organizations may already have these implemented.

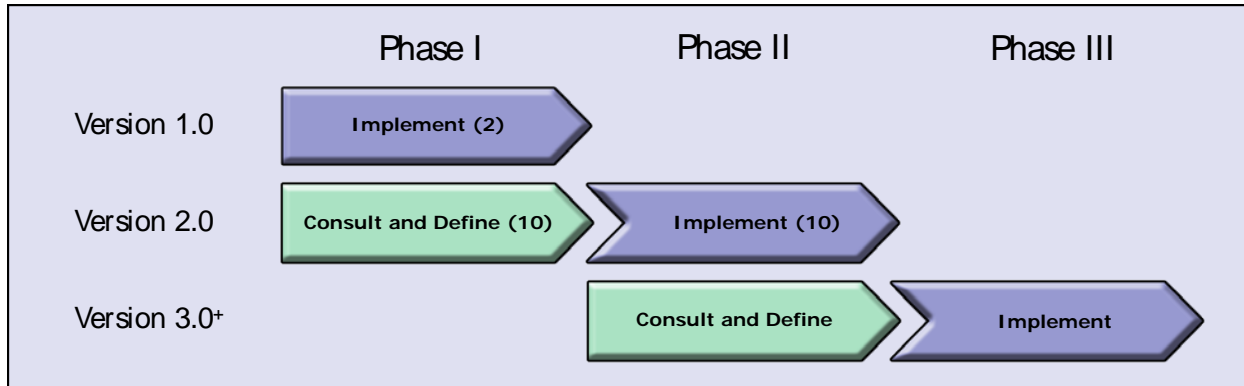
Additional principles will be phased in over time, providing In-Scope Recipients with the necessary time to implement.

3.2.1 THE PROPOSED SEQUENCE FOR IMPLEMENTATION

As was the case with Guideline 1.0, Principles will generally be phased in over two stages. During the first stage, the proposed Principle will be circulated in draft form, to be followed by extensive consultation. After the draft has been revised taking into account consultation feedback, it will be published as a Principle in the next revision of the Guideline, together with a date by which it must be implemented.

It is anticipated that some Principles may have to be implemented in different ways by different sectors or kinds of organizations. For example, some sectors or smaller organizations may require more time for implementation or may require a different version of a Principle.

The following chart illustrates how additional Principles might be implemented over time (example only):



3.3 ACCOUNTABILITY AND REPORTING

In-Scope Recipients are required to report annually on implementation status, progress and results for each Principle, including:

- a. Current state relative to the implementation requirement;
- b. Implementation progress, any identified gaps and a work plan to address the gaps to meet the required deadlines; and
- c. Benefits realized from implementation.

The accountability framework, setting out what must be reported and to whom, will be developed in consultations with line ministries, LHINs and BPS organizations during 2009–10. It is anticipated that the accountability framework will be completed and published in late 2009.

Until the accountability framework is published, the accountability requirement for In-Scope Recipients is that implementation of the two Guideline 1.0 Principles — the *Supply Chain Code of Ethics* and *Procurement Policies and Procedures* — must be completed by March 2010.

As noted in Section 1.2, In-Scope Recipients are BPS organizations that, after April 1, 2009, have entered into a funding agreement (or agreements) for more than \$10 million (cumulatively) per year with the Ministries of Health and Long-Term Care, Education and Training, Colleges and Universities.

In light of OntarioBuys announcements in the 2009 Ontario Budget, all major BPS organizations may wish to deem themselves to be In-Scope Recipients even if Supply Chain Guideline 1.0 was not formally incorporated into their funding agreement with the ministry or ministries.

Chapter IV | Principle #1 Supply Chain Code of Ethics

The *Supply Chain Code of Ethics* sets out basic overarching supply chain principles of conduct for BPS organizations, their suppliers, advisors and other stakeholders.

This Principle is to be adopted by In-Scope Recipients by March 2010.

4.1 PURPOSE OF THE SUPPLY CHAIN CODE OF ETHICS

The purpose of the *Supply Chain Code of Ethics* is to define acceptable behaviours and standards that should be common for everyone involved with supply chain activities, such as planning, purchasing, contracting, logistics and payment. The Code is not meant to supersede codes of ethics that organizations may already have in place but rather to supplement such codes with supply chain-specific standards of practice.

4.2 ADOPTION OF THE SUPPLY CHAIN CODE OF ETHICS

Adoption of the *Supply Chain Code of Ethics* has two components.

First, an organization must formally adopt the Code in a manner consistent with its existing governance processes. For some, that will involve a formal direction by its governors (e.g., board of directors or trustees). For others, the formal direction will come from a senior management committee. Regardless, the policy intent is that the organization clearly establishes that all employees involved with supply chain-related activities must conduct themselves in accordance with the Code.

Second, the Code must be available and visible to all employees involved in supply chain-related activities. For some organizations, this will involve all or most employees. For others, it may involve only finance, management and supply chain employees, with other employees involved as required. Regardless, the policy intent is that all employees involved with supply chain-related activities must be aware that they must conduct themselves in accordance with the Code.

Organizations may choose to maintain a different code of ethics as long as it is materially similar to or more comprehensive than the *Supply Chain Code of Ethics* in Chapter 4.

A detailed compliance checklist is available in Section 4.4.1.

4.3 SUPPLY CHAIN CODE OF ETHICS

Ontario Broader Public Sector Supply Chain Code of Ethics

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

I. 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.

II. 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.

III. 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 continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading practices.²

² Sources: Purchasing Management Association of Canada Code of Ethics, Ontario Public Buyers Association, Plexxus and Toronto District School Board.

4.4 SUPPORTING DOCUMENTS

4.4.1 SUPPLY CHAIN CODE OF ETHICS – COMPLIANCE CHECKLIST

The following is a checklist to assist organizations in determining whether they have successfully adopted the key elements of the *Supply Chain Code of Ethics*.

BPS organizations must ensure that the *Supply Chain Code of Ethics* or the organizational equivalent:

- a. Is distributed to all employees involved in supply chain activities, including but not limited to departments such as:
 - Purchasing;
 - Materials Management;
 - Inventory Management;
 - Planning;
 - Logistics/Distribution; and
 - Account Payables;
- b. Is communicated to all individuals outside the above departments who are involved in purchasing and other supply chain-related activities;
- c. Is visible in procurement or materials management departments;
- d. Is formally approved and visibly endorsed by the board or the organization's management team in accordance with the organization's governance structure;
- e. Is electronically available to all employees of the organization through an internal website or document centre;
- f. Contains all the elements found under Personal Integrity and Professionalism;
- g. Contains all the elements found under Accountability and Transparency; and
- h. Contains all the elements found under Compliance and Continuous Improvement.

Chapter V | Principle #2 Procurement Policies and Procedures

The *Procurement Policies and Procedures* (PPP) govern how the organization conducts sourcing, contracting and purchasing activities, including approval segregation and limits, competitive and non-competitive procurement, purchasing, contract awarding, conflict of interest and bid protest procedures.

This is an umbrella standard that guides and governs many possible related standards that may be included in future versions of the Supply Chain Guideline.

This Principle is to be adopted by In-Scope Recipients by March 2010.

5.1 PURPOSE OF THE PROCUREMENT POLICIES AND PROCEDURES

5.1.1 OBJECTIVE

The objective of the PPP is to ensure ethical, efficient and accountable sourcing, contracting and purchasing activities within the organization.

5.1.2 RATIONALE

Clear and specific policies and procedures support *Supply Chain Code of Ethics* compliance; enable the efficient and effective execution of supply chain tasks; mitigate risk; and help organizations meet their operational, financial and accountability obligations.

5.1.3 BENEFITS

A. Financial Stewardship

Policies and procedures help maintain a focus on value for money with respect to both supply chain transactions and the underlying processes.

B. Process Efficiency

Policies and procedures can eliminate redundant, non-value-added activities within the overall procurement cycle, maximizing service efficiency.

C. Customer Service

Documented policies and procedures provide internal customers, suppliers and other stakeholders with a clear path for conducting supply activities, improving customer confidence and satisfaction.

D. Risk Management

Specific and transparent policies and procedures reduce business risk and the potential for conflicts internally with colleagues and externally with trading partners.

E. Employee Productivity/Satisfaction

Policies and procedures provide clear direction and expectations for employees, improving productivity and morale.

F. Supplier Relationships

Policies and procedures establish consistent processes and expectations for working with suppliers, enhancing relationships.

5.2 ADOPTION OF THE PROCUREMENT POLICIES AND PROCEDURES

5.2.1 IMPLEMENTATION CONSIDERATIONS

There are three key components for ensuring the success of the PPP standard:

5.2.1.1 Establishing the Organization's Procurement Policies and Procedures

Many different policies and procedures are required to govern procurement activities — some are applicable to all or most organizations while others are more specialized. In order to be broadly applicable across the Broader Public Sector (BPS), the PPP operating standard is focused in its scope. Each organization should expand it as required to meet the needs of its institution. The PPP operating standard sets out the minimum requirements in Section 5.4.2 — List of Mandatory Requirements, which can be augmented but not diminished.

5.2.1.2 Compliance

Compliance with the PPP will be highest when employees understand the rationale for them and the benefits that result. Three steps will accomplish this:

Support — review the PPP with key stakeholders before they are implemented, including management, supply chain staff and internal customers.

Communication — periodically communicate the policies and procedures to all key stakeholders, including the benefits, together with strong messages of support from senior executives and other key influencers.

Follow-up — follow up with key stakeholders to gather feedback. The organization should be continuously reviewing and improving the policies and procedures to fit its evolving needs.

5.2.1.3 Accountability

It is important to identify who will be accountable for compliance. These policies and procedures, while owned by the supply chain department, should be endorsed by the senior executive(s) of the organization. Senior management is responsible for working with the supply chain department to ensure compliance with these policies and procedures and to determine appropriate measures in the event of non-compliance.

5.3 PROCUREMENT POLICIES AND PROCEDURES

5.3.1 INTRODUCTION

The PPP provide a common set of rules for managing the procurement of goods and services across the BPS. The PPP will support BPS employees who are purchasing goods and/or services with a standardized approach that ensures efficiency, financial control, quality and value for money.

5.3.2 APPLICATION AND SCOPE

Through the Supply Chain Guideline, the PPP will be incorporated into the funding agreements of organizations receiving more than \$10 million per fiscal year from the Ministries of Health and Long-Term Care, Education or Training, Colleges and Universities as of April 1, 2009.

5.3.3 CONTEXT

The PPP is one of the two requirements in the Supply Chain Guideline Version 1.0. Its purpose is to set out key rules and expectations to support the efficient management of a BPS organization's procurement processes.

The PPP incorporates **25 mandatory requirements that must be followed by the BPS recipients identified above**. A summary of the mandatory requirements has been provided in Section 5.4.2.

5.3.4 ELEMENTS

The PPP employs six elements that balance the objectives of receiving value for money with a process that is fair and transparent to the BPS and its suppliers:

1. **Accountability**

BPS organizations must be accountable for the results of their procurement decisions and the appropriateness of the processes followed.

2. **Demand Aggregation**

BPS buying power must be leveraged through Group Purchasing Initiatives across various groups and aggregating demand to achieve economies of scale.

3. **Quality Service Delivery**

The front-line services provided by BPS institutions, such as teaching and patient care, depend on having the right product, at the right time, in the right place to be effective.

4. **Standardized Process**

Idiosyncratic variability wastes time and money. A standardized process removes inefficiencies and creates a level playing field. These standardized processes have been developed using leading practices established and tested in both private and public sectors.

5. **Transparency**

Public trust is critical. BPS institutions must be open to all stakeholders. BPS suppliers must have fair access to information on procurement opportunities, processes and results.

6. **Value for Money**

BPS institutions must maximize the value they receive from the use of public funds. A value-for-money approach aims to deliver products and services at the lowest total lifecycle cost that meets or exceeds expectations.

5.3.5 RELATED GUIDELINES

In addition to these PPP, BPS procurement activities are also governed by legislation and other trade agreements. With the expectation that the BPS complies with the key elements of other governing mandates, legislations and agreements, the PPP has been harmonized with the following:

1. Agreement on Internal Trade (AIT);
2. Ontario-Quebec Procurement Agreement;
3. Canadian Law of Competitive Processes and Contract Law; and
4. Freedom of Information and Protection of Privacy Act (FIPPA).

Further details on each of these can be found in the subsections below.

5.3.5.1 Agreement on Internal Trade (AIT)

Select parts of the BPS are governed by the [AIT](#), which regulates trade between the provinces to ensure equal access to public sector procurement for all Canadian suppliers. Under the terms of the AIT, all procurement opportunities meeting or exceeding the following thresholds must be accessible to all Canadian suppliers through the use of electronic tendering systems, advertisements in daily newspapers, or the use of source lists:

	Government Ministries	Broader Public Sector	Crown Corporations
Goods	\$25,000	\$100,000	\$500,000
Services	\$100,000	\$100,000	\$500,000
Construction	\$100,000	\$250,000	\$5 million

BPS organizations are required to comply with any amendments to the agreement that may be approved after April 2009.

5.3.5.2 Ontario-Quebec Procurement Agreement

Similar to the AIT, the 1997 Ontario-Quebec Procurement Agreement, regulates trade between Ontario and Quebec to ensure equal access to public sector procurement for the respective local suppliers. The Agreement contains the following open competitive procurement thresholds for goods, services and construction:

	Broader Public Sector
Goods	\$100,000
Services	\$100,000
Construction	\$100,000

Procurement opportunities exceeding these thresholds must be accessible to all Quebec suppliers through the use of electronic tendering systems. Construction opportunities are allowed the additional options of advertisements in daily newspapers or the use of source lists.

BPS organizations are required to comply with any amendments to the agreement that may be approved after April 2009.

5.3.5.3 Canadian Law of Competitive Processes and Contract Law

When the BPS conducts a solicitation, the law of competitive processes applies. The receipt of tenders and, in some cases, proposals during a competitive procurement process may result in the formation of a bid contract (also called “Contract A”) between a BPS organization and the submitter. Thus, BPS organizations must take special care to understand the obligations they make when soliciting bids, such as rejecting non-compliant bids and not deviating from the process described in the bid documents. A breach of “Contract A” may occur if the soliciting BPS organizations were to provide information or change the specifications during the competitive process to unfairly benefit a particular participant, enter into side negotiations with any participant in an effort to obtain more desirable contract conditions, and so on.

When a BPS organization enters into a contractual agreement with a supplier (i.e., “Contract B”), the agreement creates obligations on both parties and is subject to applicable contract law, including accepted meanings and interpretations of enforceability, non-performance, breach of contract, remedies, and so on. Individuals making commitments on behalf of the BPS organization must be aware of the liabilities they create, and should exercise extreme care in developing and/or revising contract language.

Persons engaged in procurement activities on behalf of a BPS organization should be aware of the implications of applicable Canadian law and the resulting importance of professional conduct. The competitive process itself may result in the formation of contractual obligations on the organization and all contract documents, competitive procurement documents and any correspondence or supporting information relating in any way to a competitive procurement process are subject to subpoena by a Canadian court of law. Authors of such documents may be compelled to defend or otherwise explain them in court.

Section 5.4.3 provides a brief discussion of Canadian law applicable to procurement.

5.3.5.4 Freedom of Information and Protection of Privacy Act (FIPPA)

The purposes of FIPPA (sometimes referred to as the *Privacy Act*) are to make public bodies more accountable to the public and to protect personal privacy. *Freedom of Information and Protection of Privacy Act* accomplishes these purposes by:

- a. Providing the public with a right of access to records within the public bodies' custody or control; and
- b. Preventing the unauthorized collection, use and disclosure of personal information.

The provisions of FIPPA may affect the procurement process and the way contract documents are drafted.

Persons engaged in procurement activities on behalf of the BPS should be aware of the implications of the Freedom of Information (FOI) requirements of FIPPA and the resulting importance of professional conduct. Specifically, all notes, emails, memos, letters or any other documentation relating to a competitive procurement process are ordinarily subject to FIPPA requests.

Freedom of Information requests can be and have been made for information on tendering and administration of contracts. Any record so requested must be disclosed in its entirety unless FIPPA exceptions to disclosure apply to all or part of the request.

5.3.6 SEGREGATION OF DUTIES AND APPROVAL AUTHORITY LEVELS

Segregation of duties and delegation of authority are essential controls within the purchasing-to-pay process. Together, they ensure integrity of the process by reducing exposure to inappropriate, unauthorized or unlawful expenditures.

5.3.6.1 Segregation of Duties

Effective control in an organization includes both the delegation of authority and segregation of duties across functions and individuals. Segregation of duties prevents any one person from controlling the entire purchasing process by segregating approvals for the key stages of the supply chain process.

There are typically five procurement roles that require segregated approval as illustrated below:

Recommended Framework: Typical Procurement Roles Requiring Segregation of Duties

Roles	Explanation	Who
Requisition	Authorize the supply chain department to place an order	Customer requesting the product or service
Budget	Authorize that funding is available to cover the cost of the order	Departmental budget holder
Commitment	Authorize release of the order to the supplier under agreed-upon contract terms	Purchasing role in the supply chain department
Receipt	Authorize that the order was physically received, correct and complete	Individual receiving the goods
Payment	Authorize release of payment to the supplier	Accounts Payable role within the finance team

Mandatory Requirement #1

BPS organizations must segregate at least three of the five functional roles. Responsibilities for these functions should lie with different departments or at a minimum with different individuals. In circumstances where it is not feasible to segregate three roles, as in the case with smaller organizations, adequate compensating controls approved by the external auditor will be acceptable.

5.3.6.2 Approval Authorities

BPS organizations must have authority levels that identify the approvals required for various dollar levels of purchasing. These delegated authority levels must be complied with for every item that is purchased by the organization. BPS organizations must seek the necessary approval authority for all procurements prior to conducting the procurement. Approvals for procurements must be based on the total estimated value of the procurement, including any agreed-upon renewals.

An organization's delegation of authority defines approval levels corresponding to job roles in the organization and ensures that each individual's approval authority is commensurate with the responsibility level for his or her position. The authority levels should be delegated by the board of directors.

Each organization should have a chart similar to the one below that identifies the dollar threshold of approvals for each level of the organization. This table sets out the commitment authority, i.e., the person authorized to commit the organization to a purchase. The positions and purchasing authority levels in the chart below are meant to be used as a guide only, as each organization will have its own positions and delegated authority levels.

Example*: Commitment Approval Authority Schedule

Total Purchase Amount	Delegated Purchasing Authority level
<\$10,000	Manager
\$10,000–\$50,000	Director
\$50,000–\$250,000	Vice-President
\$250,000–\$1,000,000	President/CEO
>\$1,000,000	Board of Directors

**Organizations may use their discretion in defining purchasing authority thresholds in accordance with the size and applicable roles of their organization.*

Mandatory Requirement #2

BPS organizations must have a documented delegation of authority schedule that outlines the organization's authority levels for each of the five functional roles described in the segregation of duties (Section 5.3.6.1) and seek the necessary approval for all procurements prior to conducting the procurement.

A sample approval form is provided in Section 5.4.6.1: Sample Procurement Approval Authority Form including Non-Competitive Award Bypass.

5.3.7 COMPETITIVE VS. NON-COMPETITIVE PROCUREMENT PROCESS DETERMINATION

This section defines the minimum competitive requirements for purchases. The respective procurement processes are defined in:

- a. Section 5.3.8: Competitive Procurement; and
- b. Section 5.3.9: Non-Competitive Procurement.

5.3.7.1 Competitive Process Requirements

Mandatory Requirement #3

In accordance with the AIT, the Ontario-Quebec Procurement Agreement and the PPP's principle of transparency, BPS organizations must conduct open competitive procurements where the estimated value of procurement of goods, services or construction³ is \$100,000 or greater.

For the procurement of goods, services and construction with an estimated value less than the thresholds above, BPS organizations are strongly encouraged to consider open competitive procurements or, at a minimum, an invitational competitive procurement. An invitational competitive procurement is achieved by requesting three or more suppliers to submit a bid in response to the organization's requirements.

Each BPS organization should create its own rules for procurements by value for purchases below \$100,000, as per the example below, in accordance with the size and needs of its organization.

Example**: Procurement Procedure Thresholds by Procurement Value

Total Procurement Value	Procedure	Example	Mandatory
<\$100	Petty cash	X	
<\$3,000	Purchasing card	X	
<\$10,000	Purchase order	X	
<\$100,000 — goods, services and construction	Invitational competitive procurement (minimum of three suppliers invited to bid)	X	
>\$100,000 — goods, services and construction	Open, competitive process		X

***Organizations may use their discretion in defining Total Procurement Value limits for the Procedures marked as Examples in accordance with the size and needs of their organization.*

A division of requirements into multiple procurements to reduce the estimated value of a single procurement and avoid the application of the identified value thresholds is not permitted.

³ The threshold for construction has been set to align with the lower of the two requirements as set by the AIT and the Ontario-Quebec Procurement Agreement respectively.

5.3.8 COMPETITIVE PROCUREMENT

5.3.8.1 Information Gathering

Information-gathering mechanisms are useful for situations where a BPS organization has incomplete information about either the procurement that it requires or the capabilities of the market to deliver the material, service, or the solution required. The information gathered during one of the processes outlined will help the BPS organization plan a fair and cost-effective procurement process, define the requirements for the procurement documents, or identify whether there are qualified and/or interested suppliers. When informal research and information gathering is insufficient, the following formal processes may be used where warranted, recognizing the time and effort required to conduct them, for the purposes described below:

5.3.8.1.1 *Request for Information (RFI)*

The purpose of an RFI is to gather general supplier or product information. This mechanism may be used when a BPS organization is researching a contemplated procurement and has not yet determined what characteristics the ideal solution would have (e.g., the business desires a new warehouse management system but is unsure of which features are most important and needs more information to understand what is available and what are the suppliers' capabilities).

Responses to RFI questions normally contribute to the final version of a subsequent Request for Proposals (RFP) and may include targeted questions about the required output/acquisition, seeking combinations of industry leading practices, suggestions, expertise and even concerns and additional questions from proponents.

5.3.8.1.2 *Request for Expressions of Interest (RFEI)*

The purpose of an RFEI is 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. Information collected can also facilitate selecting the best possible competition method for a follow-up competition.

Mandatory Requirement #4

A response to an RFI or RFEI must not pre-qualify a potential supplier and must not influence their chances of being the successful proponent on any subsequent opportunity.

Where a BPS organization wishes to create a pre-qualified supplier list to be used for one or more future procurements, a Request for Supplier Qualifications (RFSQ), as described below, should be used.

5.3.8.1.3 Request for Supplier Qualifications (RFSQ)

The purpose of an RFSQ is 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. The purpose of this process is to reduce subsequent effort devoted to the competitive process (i.e., bid preparation on the part of suppliers and evaluation on the part of the BPS), as detailed further here:

- a. An RFSQ can be used to understand which potential proponents have the capabilities that a BPS organization requires, as the first stage in a two-stage solicitation (followed by either a Request for Proposal or a Request for Tender), whereby only pre-qualified suppliers will be invited to respond to the actual competition. This can make the number of responses and the evaluation process more manageable for the evaluators, while allowing unqualified proponents to avoid the effort and expense of preparing a complete competitive response.
- b. An RFSQ can be used to pre-qualify suppliers who are interested in supplying materials or services in the future — if, as and when requested. The typical result of this procedure is a Vendor of Record (VOR) or a preferred suppliers list.

An RFSQ document should specifically define the type of materials or services included as part of the process, and set upper limits to the value of future awards. The RFSQ document should also clearly indicate the time duration the list is to be valid, the method(s) by which suppliers can be placed on the list, and at what specific intervals opportunities for being qualified will come up. The document should also indicate that suppliers who do not participate in the pre-qualification or do not appear on the list may be excluded from opportunities. If the VOR or preferred suppliers list is to be used for procurements over \$100,000, a supplier that meets the conditions for registration on the list must be able to register at any time.

A VOR or preferred suppliers list may follow a number of formats with the intent of facilitating one or more potential supplier selection processes, but in all cases must be used according to procedure, as outlined in the advertised RFSQ document. Typical pre-qualified supplier lists for future opportunities can be segmented by region, contain a ranked list of suppliers, or simply contain supplier names.

Mandatory Requirement #5

BPS organizations must ensure that the terms and conditions built into the RFSQ contain specific language to disclaim any obligation on the part of the BPS organization to actually call on any supplier as a result of the pre-qualification to supply such materials or services.

In other words, the intention is that no Contract A (bid contract) or Contract B (performance contract) will be formed between the buying BPS organization and the pre-qualified suppliers as part of this process.

5.3.8.1.4 General Guidelines on Information Solicitation

- a. RFIs and RFEIs are not competitions meant to result in the award of work; therefore, a correctly executed information solicitation process should not result in a legal contract (“Contract A” or bid contract) with a proponent. Care should be taken to avoid language that may create a commitment or liability on the part of the procuring BPS organization;

- b. Since it is generally desirable to reach a large population of potential suppliers when seeking information, it is recommended that organizations use common electronic tendering methods for RFIs and RFEIs. Some examples of commonly used electronic tendering websites are described in 5.4.5 — Question and Answer; and
- c. RFIs and RFEIs should not ask for proprietary information from suppliers.

The suggested uses of all three information-gathering mechanisms are summarized in the following table.

Information Required	RFI	RFEI	RFSQ
General supplier or product information	X		
Information on supplier interest in opportunity		X	
Information on supplier capability/qualifications		X	X
Pre-qualified suppliers' list desired			X

5.3.8.2 Purchasing

The following sections are intended to help BPS organizations plan a competitive procurement. They outline the policies and procedures required when a BPS organization proceeds with a competitive procurement.

A Procurement Lead must be assigned for each procurement, who will be accountable for the requirements of this document.

5.3.8.2.1 Vendors of Record (VOR)/Preferred Suppliers List

Vendors of record are used to reduce costs by establishing strategic relationships with a small group of suppliers. A VOR can also be called a preferred suppliers list, with the premise being that organizations should try to focus as much procurement spend as possible through their VOR or preferred suppliers, where typically the best price is achieved.

Many VOR arrangements have been established by the Ministry of Government Services (MGS). For a list of VOR arrangements, please visit the MGS Supply Chain Management (SCM) website <http://www.doingbusiness.mgs.gov.on.ca>. This website allows Ontario Public Sector and Broader Public Sector organizations to view the list of VOR arrangements and identify opportunities to leverage those arrangements. BPS organizations wishing to review the VOR information and contracts will need to register as a buyer on the website. Instructions for registration are outlined on the website. New VOR arrangements are established on a regular basis so organizations should consult the website regularly for the most current list. It is important to note that not all the contracts listed are open to BPS organizations and for some of those contracts that are open to the BPS, preferred pricing may not apply.

Organizations may also establish organization-specific VOR arrangements for the supply of a certain category of goods, services or construction. A VOR arrangement may be established only through an open and competitive procurement process and require appropriate approval authority. Organization-specific VOR arrangements must be for the exclusive use of that organization and may not be utilized by any other organization. Multi-organizational VOR arrangements may be established where there is an identified need for a common category of goods, services or construction among two or more organizations.

A VOR arrangement requires a second-stage selection process to assist purchasing organizations in obtaining best value for money. Given that an open competition has already occurred to establish all VOR arrangements, the second-stage selection process shall be concerned only with the particular goods, services or construction project to be procured, including the specific needs and issues for a particular assignment or project, such as contract price, the resources to be assigned, availability and timelines to complete the assignment or project.

BPS organizations may use source lists, such as VORs or preferred suppliers lists for competitive procurements, provided that for any source list:

- a. The opportunity to register on the source list has been advertised competitively on an electronic tendering system;
- b. A supplier that meets the conditions for registration on the source list is able to register at any time; and
- c. All registered suppliers in a given category are invited to respond to all calls for competitive procurement in that category.

When using VORs and preferred suppliers lists, BPS organizations should be looking to receive better value for their investment and savings through demand aggregation as stated in the principles of this document. Organizations must ensure that they are receiving preferred pricing from their suppliers as this is one of the primary reasons for having the arrangement. In return for the opportunity of being on the organization's preferred list, the supplier offers preferred pricing.

5.3.8.2.2 Competitive Documents

For an open competitive process, BPS organizations need to develop competitive documents that can be provided to potential proponents to explain the organization's requirements.

Organizations must include a description of the needed goods, services or construction in generic and/or functional terms specific to the business needs that the good or service will serve in all procurement documents. When the use of non-generic and/or non-functional terms is appropriate, the specifications must deal with performance requirements and exclude all features that could unfairly confer an advantage to certain suppliers. For information technology (IT) procurements, organizations may express requirements in terms of corporate or organization IT standards as an alternative to functional terms.

In addition, the documents must include:

- a. Full disclosure of the evaluation criteria, process and methodology to be used in assessing submissions. The competitive documents should clearly identify the requirements of the procurement; the criteria that will be used in the evaluation of bids; and the methods of weighting and evaluating the criteria. The competitive documents must also identify those criteria that are considered mandatory and any technical standards that need to be met;
- b. The name, telephone number and location of the person to contact for additional information on the procurement documents and a statement that suppliers who go outside of this contact person may be disqualified;
- c. Conditions that must be met before obtaining procurement documents such as conflict-of-interest declarations, confidentiality agreements and non-disclosure agreements, if appropriate;

- d. The address, date and time limit for submitting bids to procurement documents. Bids received after the closing date and time must be returned unopened;
- e. The process, date and time limit for the submission of questions and bids on the procurement documents;
- f. The time and place of the opening of the bids in the event of a public opening;
- g. The submission rules and competitive clauses to be followed, which may include bid format, language, inclusion of an executive summary, number of copies required, attendance at a bidders' conference and any additional rules to be followed in order to be considered a compliant bid;
- h. A draft copy of the contract to be signed in the event of an award of the procurement;
- i. A request for a list of any subcontractors to be used to complete the procurement;
- j. The period of irrevocability of bids where bids cannot be withdrawn (typically 120 days from the closure of the competitive process);
- k. For goods, services and construction valued at \$100,000 or more, a statement that the procurement is subject to Ontario's trade agreements; and
- l. Notice that any confidential information supplied to the organization may be disclosed by the organization where it is obliged to do so under FIPPA, by an order of a court or tribunal or otherwise required at law.

Two main types of competitive documents are described below:

- a. Request for Proposal (RFP): The purpose of this document is to request suppliers to supply solutions for the delivery of complex goods, services or construction or to provide alternative options or solutions. It is a process that uses predefined evaluation criteria in which price is not the only factor.
- b. Request for Tender (RFT): The purpose of this document is to request suppliers' bids to supply goods, services or construction based on stated delivery requirements, performance specifications, terms and conditions. An RFT usually focuses the evaluation criteria predominantly on price and delivery requirements. This document may also be called a Request for Quotation (RFQ) where the organization has described exactly what needs to be purchased and the evaluation is made solely on price.

5.3.8.2.3 Advertising and Posting Competitive Documents to Market

The BPS advertising and posting practices during a competitive process must utilize accepted mediums in order to uphold the principles of fair, open and transparent dealings; to encourage maximum competitive response; and to ensure that suppliers have a positive experience in dealing with a purchasing organization from the BPS.

Mandatory Requirement #6

In accordance with the AIT, calls for competitive procurements shall be made through an electronic tendering system that is equally accessible to all Canadian suppliers.

Construction contracts between \$100,000 and \$250,000 are not subject to the requirements of the AIT. Calls for those competitive procurements can be made through an electronic tendering system and/or one or more of the following methods:

- a. Publication in one or more predetermined daily newspapers that are easily accessible to all Canadian suppliers; or
- b. The use of source lists, such as VOR's or preferred suppliers lists.

Transparency and openness can be best achieved through the use of one common electronic system. The Ontario Public sector currently has a contract in place with MERX™ (www.merx.com) to support this goal on a provincial level. This contract is available to the BPS and should be used by all BPS organizations.

The AIT recommends that tender notices for all opportunities be posted on a national electronic tendering system, the Alberta Purchasing Connection (APC) to alert all suppliers to the competition. The APC website is located at: www.purchasingconnection.com. MERX™ will help organizations to fulfill this requirement by forwarding tender notices to APC for BPS opportunities posted on MERX™. Tender notices posted on APC shall include at least the following:

- a. A brief description of the procurement contemplated;
- b. Where to obtain tender documents and further information;
- c. The conditions for obtaining tender documents;
- d. Place where tenders are to be submitted;
- e. Date and time for submitting tenders;
- f. Time and place of public opening, if a public opening; and
- g. Statement that the procurement is subject to the provisions of the AIT Annex 502.4.

5.3.8.2.4 Communications during Competition

The competition process begins when the competitive procurement documents are issued and ends on the closing date; this is commonly referred to as the “blackout period.” The supply chain department is responsible for managing the process through to contract award.

During the blackout period in all competition situations, it is imperative that all communication with suppliers involved in the process occur formally, through the contact person identified in the competitive documents.

During the competitive period, the competitive procurement documents may be clarified or modified through the use of one of two types of responses:

- a. An addendum response; or
- b. A question-and-answer (Q&A) response.

Addenda and Q&As are posted in the same manner as the competitive documents were advertised to the market and therefore shall be made available to all potential proponents. Standards for these and other communication mechanisms are included in the subsections that follow.

- ▶ Addendum response: An addendum is prepared if modifications to the competitive procurement documents are necessary (e.g., amending, adding or deleting information due to errors, conflicts or deficiencies in the documents). An addendum may modify the documents by:
 - a. Inserting new, revised or repaginated pages;
 - b. Inserting new or revised drawings;
 - c. Deleting pages or drawings; and/or
 - d. Inserting pages that were inadvertently omitted from the posted competitive procurement documents.

All Addenda must be issued at least seven days prior to the closing date. If an addendum is issued within seven days of the closing date, the date should be extended accordingly.

- ▶ Question-and-answer responses: A Q&A response is prepared if clarification of the RFP/RFT documents is required without the need to modify the posted competitive procurement documents. Any answer that results in a change to any aspect of the competitive procurement documents must be addressed by making corresponding modifications to the documents by an addendum. Generally, questions are requested to be submitted no less than seven days prior to the closing date, although questions may be considered after that and, if warranted, consideration may be given to extending the closing date, taking into account the project schedule. The objective is to ensure that all proponents receive as much relevant information as possible.

5.3.8.2.5 Timelines for Posting Competitive Procurements

BPS organizations must give potential proponents enough time to prepare a sufficient response for the competitive process. The goal of the competitive process should be to receive the highest number of quality bids possible, so as to maximize the organization's ability to achieve better value for money.

Mandatory Requirement #7

Purchasing BPS organizations must provide suppliers a minimum response time of 15 calendar days for procurements valued at \$100,000 or more.

BPS organizations should consider providing response times longer than 15 days to ensure that suppliers have a reasonable period of time to submit a bid. The timeline should also take into account the complexity of the procurement and the time needed by the organization to properly disseminate the information.

5.3.8.2.6 *Bidders' Conference*

Bidders' conferences are held if the purchasing organization believes there is information that potential proponents will better understand if the information is presented to them (i.e., asking contractors to outfit a building with electricity is easier to respond to after being given a site tour). Bidders' conferences are usually held shortly after the posting of the competitive documents to give proponents ample time to craft responses based on the information given at the bidders' conference. At the bidders' conference, only the procurement in question can be discussed and any questions and answers that were discussed need to be documented and provided to all proponents, whether or not they were in attendance.

The BPS organization should determine whether a bidders' conference will be a part of the competitive process. A bidders' conference should cover all the essential information from the competitive documents, including the following:

- a. Scope and requirements of the procurement;
- b. Submission guidelines (rules of the competitive process);
- c. Timelines for the competitive process, including deadlines for questions and submissions;
- d. Evaluation criteria, process and methodology; and
- e. Contact information.

The BPS organization should also determine prior to posting the competitive documents whether the bidder's conference is mandatory, meaning that if potential proponents do not attend, their bids will be returned unopened.

5.3.8.3 **Evaluation**

5.3.8.3.1 *Bid Receipt*

All eligible bids must be submitted by the closing time specified in the competition document.

Mandatory Requirement #8

BPS organizations must ensure that the closing date is set on a normal working day (Monday to Friday, excluding provincial and national holidays). Submissions that are delivered after the closing time must not be considered.

For bids where paper copies have been submitted, it is important to identify bid opening information in the competitive documents, including where the bids will be opened and who can attend. The process for opening paper bids is as follows:

- a. Stamp each bid as it arrives with the date, time, location, company name and contact information;
- b. Do not open any bids until after the competitive process has closed;
- c. Ensure there is at least one witness to view the bid openings; and
- d. Open the bids following the same process that was documented in the posted competitive documents.

5.3.8.3.2 *Evaluation Criteria*

Every competitive process must establish evaluation criteria. The evaluation criteria will be used by the organization to decide which bid should be selected from the competitive process.

In evaluating bids, an organization may take into account not only the submitted price but also quality, quantity, transition costs, delivery, servicing, environmental considerations, the capacity of the supplier to meet requirements of procurement, experience, financial capacity of the supplier, and any other criteria directly related to the procurement. Organizations must pay particular attention to apply the maximum justifiable weighting to price/cost as part of the evaluation criteria.

For IT procurements, organizations must assess conversion costs, if appropriate. In establishing the evaluation criteria and weighting of conversion costs, BPS organizations must not unduly favour an incumbent supplier or unduly disadvantage non-incumbent suppliers.

Mandatory Requirement #9

Evaluation criteria should be developed, reviewed and approved before the competitive process begins. These criteria must be included in the competitive documents. The competitive documents must also identify those criteria that are considered mandatory and any technical standards that need to be met. The evaluation criteria cannot be changed or altered once the competitive process has begun.

Typically, an evaluation process comprises three components: mandatory requirements, rated requirements and price/cost. BPS organizations must ensure that they do not request information from suppliers that will not be evaluated or affect the evaluation process.

It is recommended that organizations perform a sensitivity analysis on the selected criteria and assigned weighting before the criteria are finalized and posted in the competitive documents. This will ensure that the criteria and weighting will deliver the desired outcome and will confirm the relative importance of the various criteria.

5.3.8.3.3 Evaluation Process

The first step in the evaluation process is to ascertain whether submissions are compliant. Submissions may be considered to be materially compliant, but certain clarifications may be sought. Materially non-compliant submissions should be rejected. Once the compliant submissions have been identified, the BPS organization should proceed with the balance of the evaluation process.

Mandatory Requirement #10

BPS organizations must fully disclose the evaluation methodology and process to be used in assessing a supplier's submission.

A full disclosure of the evaluation methodology and process must include the following:

- a. A clear articulation of all mandatory requirements. Organizations must indicate if the mandatory requirements will be assessed on a pass/fail basis and indicate how suppliers achieve a passing grade. Where a supplier is disqualified for non-compliance with a mandatory requirement, no further evaluation should take place;
- b. All weights, including sub-weights, for rated requirements. Where a supplier fails to meet a stated minimum score for rated requirements no further evaluation should take place;
- c. Description of any short-listing processes, including any minimum rated score requirements;

- d. The role and weighting, if applicable, of reference checks, oral interviews and demonstrations; and
- e. Descriptions of the price/cost evaluation methodology, including the use of scenarios in the evaluation process, to determine costs for specific volumes and/or service levels. The evaluation of price/cost must be undertaken only after completion of the evaluation of the mandatory requirements and any other rated criteria for all bids.

5.3.8.3.4 Evaluation Team

Every competitive process requires an evaluation team that will be responsible for reviewing all the compliant bids and scoring each of those bids. The evaluation team may be different for each competitive process executed by an organization, depending on the expertise required to help make the decision. The following should be considered:

- a. Evaluation team members should be selected and their participation confirmed before the competitive documents have been posted. Ideally, the evaluation team members will have been included in the development of the evaluation criteria and weighting. Team members may include clinicians, educators, supply chain experts, subject-matter experts, financial experts and representatives of the procurement function of the organization. Evaluation teams should be composed of appropriate members to ensure that a proper evaluation is conducted.
- b. An Evaluation Team Lead should be selected by the evaluation team members to be responsible for coordinating the evaluation process.
- c. It is recommended that a representative of the procurement function participate in the oversight of the process, if not participating as part of the evaluation team.
- d. Organizations should put together an evaluation process guide for evaluation teams, outlining the roles and responsibilities of team members.

A sample evaluation process guide, including a sample evaluation matrix, is provided in Section 5.4.6.2: Sample Evaluator Handbook including Evaluation Matrix.

Mandatory Requirement #11

Evaluation team members must be aware of the restrictions related to confidential information shared through the competitive process and refrain from engaging in activities that may create or appear to create a conflict of interest. BPS organizations must require team members to sign a conflict-of-interest declaration and non-disclosure agreement.

A sample template is provided in Section 5.4.6.6: Sample Evaluation Team Conflict of Interest Declaration and Non-Disclosure Agreement Template.

5.3.8.3.5 Selection Process

Mandatory Requirement #12

BPS organizations must ensure that each member of the evaluation team has completed an evaluation matrix rating each of the proponents. Records of evaluation scores must be auditable. Evaluators should be aware that everything they say or document must be fair, factual, fully defensible and may be subject to public scrutiny.

Mandatory Requirement #13

BPS organizations must select only the highest ranked submission(s) that have met all mandatory requirements set out in the related procurement document. In responding to procurement documents, suppliers may sometimes propose alternative strategies or solutions to the organization's business needs. Unless expressly requested in the procurement documents, organizations must not consider alternative strategies or solutions proposed by a supplier.

Mandatory Requirement #14

The method to resolve a tie score must be identified in the evaluation criteria of the RFP, including weighting, if applicable. Tie-break criteria are also subject to the rules of non-discrimination defined in Section 5.3.8.3.6.

Additional considerations during the selection process include:

- a. Organizations are entitled to ask proponents for clarification on their bid as long as it does not change their bid in any way.
- b. Where bids are received in response to a solicitation but exceed the organization's budget, are not responsive to the requirement or do not represent fair market value, a revised solicitation can be issued in an effort to obtain an acceptable bid.
- c. If no bids are acceptable and it is not reasonable to go through any other method, organizations may choose to negotiate directly with a chosen supplier.

Any proponent whose submission is rejected during the evaluation process will be notified of the rejection in writing as soon as practicable after completion of the evaluation. With the exception of any pricing that was made publicly available at the time of a public opening, all submission evaluation details must be kept confidential.

5.3.8.3.6 Non-Discrimination

Mandatory Requirement #15

In compliance with the AIT, BPS organizations must refrain from any discrimination or preferred treatment in awarding a contract to the preferred supplier from the competitive process, unless justifiable based on the circumstances described below.

Organizations that make decisions based on discrimination may be subject to bid protests or disputes from those proponents feeling that the process may have been unfair or biased.

- a. BPS organizations shall not discriminate:
 - Between the goods or services of a particular province or region, including those goods and services included in construction contracts, and those of any other province or region; or
 - Between the suppliers of such goods or services of a particular province or region and those of any other province or region.
- b. Except as otherwise provided, measures that are inconsistent with section (a) include the following:
 - The imposition of conditions on the invitation to compete, registration requirements or qualification procedures that are based on the location of a supplier's place of business in Canada, the place in Canada where the goods are produced or the services are provided, or other like criteria;
 - The biasing of technical specifications in favour of, or against, particular goods or services, including those goods or services included in construction contracts, or in favour of, or against, the suppliers of such goods or services for the purpose of avoiding the obligations of this document;
 - The timing of events in the competitive process so as to prevent suppliers from submitting bids;
 - The specification of quantities and delivery schedules of a scale and frequency that may reasonably be judged as deliberately designed to prevent suppliers from meeting the requirements of the procurement;
 - The division of required quantities or the diversion of budgetary funds to subsidiary agencies in a manner designed to avoid these obligations; and
 - The use of price discounts or preferential margins to favour particular suppliers.
- c. No BPS organization shall impose or consider, in the evaluation of bids or the award of contracts, local content or other economic benefits criteria that are designed to favour:
 - The goods and services of a particular province or region, including those goods and services included in construction contracts; or
 - The suppliers of a particular province or region of such goods or services.
- d. Except as otherwise required to comply with international obligations, a BPS organization may accord a preference for Canadian value-added, subject to the following conditions:
 - The preference for Canadian value-added must be no greater than 10 per cent;
 - The organization shall specify in the call for competition the level of preference to be used in the evaluation of the bid; and
 - All qualified suppliers must be informed through the call for competition of the existence of the preference and the rules applicable to determine the Canadian value-added.
- e. Except as otherwise required to comply with international obligations, a BPS organization may limit its competition to Canadian goods, Canadian services or Canadian suppliers, subject to the following conditions:
 - The procuring organization must be satisfied that there is sufficient competition among Canadian suppliers;

- All qualified suppliers must be informed through the call for competition of the existence of the preference and the rules applicable to determine Canadian content; and
- The requirement for Canadian content must be no greater than necessary to qualify the procured good or service as a Canadian good or service.

5.3.8.4 Contract Award

Once the competitive process has been completed and the preferred supplier has been selected, the organization must now go through the process of awarding the contract to the preferred supplier. The organization should send a formal contract award letter to the chosen supplier to initiate the process.

A contract award letter sample is located in Section 5.4.6.3: Sample Contract Award Letter.

5.3.8.4.1 Executing the Contract

Following the procurement process and the selection of a contract type, a signed written contract must be established.

Mandatory Requirement #16

The agreement between the purchasing BPS organization and the successful supplier must be defined formally in a signed written contract before the provision of the goods, services or construction commences. When executing the contract, the organization must obtain the supplier signatures before obtaining the designated organization's signature. In situations where an immediate need exists for goods or services and the purchasing organization and the supplier are unable to finalize a contract, a letter of intent, memorandum of understanding (MOU) or interim purchase order may be used. This will allow for the immediate needs to be met, while final negotiations take place towards finalizing the contract.

There are many types of contracts that organizations can use when purchasing goods and services. The most commonly used contract types are listed below. Regardless of the type of contract used, it is important for the organization to understand the importance of contract acceptance. Contract acceptance identifies the criteria that need to be met in order for all parties involved to be satisfied that the contract has been successfully completed as indicated below:

- a. **Fixed price:** A fixed-price contract is a contract that has a set fee for a specific scope of work to be completed, which can include the completion of a specific deliverable or deliverables. When deciding to use a fixed-price contract, the organization must consider the level of scope detail that has been developed. The more well defined the scope and the requirements, the lower the risk of using a fixed-price contract for the buying organization. Using a fixed-price contract with a scope that is not well defined contains risk for the organization because items may be deemed out of scope and thus results in costly change orders. If using a fixed-price contract for a specific deliverable or deliverables, the organization must understand the desired outcome of the work being completed. One advantage of a fixed-price contract is that the cost of the procurement is known up-front.

- b. Time and materials: A time-and-materials contract identifies work to be paid based on units of time spent on the procurement. These time units are typically in the form of daily or hourly rates for the amount of time and materials used by the resources assigned by the supplier. If organizations do not have a well-defined scope of work, a time-and-materials contract may be the only option. Organizations must monitor the hours spent during a time-and-materials contract to ensure that the procurement does not exceed their budget.
- c. Cost reimbursable: A cost-reimbursable contract is a contract where the buying organization agrees to reimburse all the costs incurred by a supplier in the completion of the work identified. Typically, the buying organization will pay an additional fee on top of those costs to represent the suppliers' profit. This additional fee can be calculated as a percentage of the costs incurred or as a flat fee on top of the costs incurred.

A combination of the contract types above can also be used, depending on the requirements being contemplated.

Mandatory Requirement #17

The contract must be finalized using the form of agreement/contract that was released with the procurement document.

Mandatory Requirement #18

All contracts must include appropriate cancellation or termination clauses and BPS organizations should seek appropriate legal advice on the development of these clauses.

Particularly for goods and services procured as part of an IT project, organizations must consider, as appropriate, the use of contract clauses that permit cancellation or termination at critical project life-cycle stages.

Mandatory Requirement #19

The term of the agreement and any options to extend the agreement must be set out in the procurement document. Changes to the term of the agreement may change the procurement value. Prior written approval by the appropriate approval authority is necessary before changing contract start and end dates. Extensions to the term of agreement beyond what is set out in the procurement document are considered non-competitive procurements and BPS organizations must seek appropriate approval authority prior to proceeding.

5.3.8.4.2 Award Notification

Once the preferred supplier has been selected and the contract has been awarded and signed, BPS organizations must notify all proponents that a contract has been signed and the competitive process is complete.

Mandatory Requirement #20

For purchases valued at \$100,000 or greater, BPS organizations must post, in the same manner as the procurement documents were posted, the name(s) of the successful supplier(s). Contract award notification must occur only after the agreement between the successful supplier and the organization has been executed. The contract award notification must include the agreement start and end dates, including any options for extension.

An award notification letter sample is located in Section 5.4.6.4: Sample Award Notification Letter.

An organization may also choose to write letters to the unsuccessful proponents, communicating that a decision has been made and thanking them for participating in the competitive process.

5.3.8.4.3 Vendor Debriefing

Mandatory Requirement #21

For purchases valued at \$100,000 or greater, BPS organizations must inform all suppliers who participated in the procurement process of their entitlement to a debriefing.

The details of the vendor debrief should be included in the competitive documents, including the process for booking debrief sessions at the conclusion of the procurement process. BPS organizations must allow suppliers 60 calendar days following the date of the contract award notification to respond.

In scheduling vendor debriefings, BPS organizations must:

- a. Confirm the date and time of the debriefing session in writing;
- b. Conduct separate debriefings with each vendor;
- c. Ensure that the same participant(s) from the BPS organization participate in every debriefing conducted. If the organization has used a Fairness Commissioner in the procurement process, the Fairness Commissioner may be invited to participate in the debriefing but must not conduct the debriefings; and
- d. Retain all correspondence and documentation relevant to the debriefing session as part of the procurement documentation.

In conducting vendor debriefing meetings, BPS organizations must:

- a. Provide a general overview of the evaluation process set out in the procurement document;
- b. Discuss the strengths and weaknesses of the supplier's submission in relation to the specific evaluation criteria and the supplier's evaluated score. If more than price is evaluated, the organization may provide the supplier's evaluation scores and their evaluation ranking (e.g., third of five);
- c. Provide suggestions on how the supplier may improve future submissions;
- d. Be open to feedback from the supplier on current procurement processes and practices; and
- e. Address specific questions and issues raised by the supplier in relation to their submission.

In addition, organizations may also provide the name(s) and address(es) of all suppliers who participated in the procurement, including qualified and disqualified proponents as well as those who submitted “no bid.”

In conducting vendor debriefings, BPS organizations must not disclose information concerning other suppliers, other than as specified above, as it may contain confidential third-party organization proprietary information subject to the mandatory third-party exemption under the FIPPA. If a supplier makes such a request, they must be advised that a formal FOI request can be submitted to the organization’s Freedom of Information and Privacy representative.

Questions unrelated to the procurement process must not be responded to during the debriefing and must be noted as out of scope based on the debriefing process agreed to in the procurement documents.

A vendor debrief sample is located in Section 5.4.6.5: Sample Vendor Debriefing Template.

5.3.9 NON-COMPETITIVE PROCUREMENT

For procurements that do not warrant competition in accordance with the conditions identified in Section 5.3.7 of this document, various options are available. Organizations should consider employing an open competitive process or an invitational competitive process to increase their chances of achieving the greatest value for money.

Another option available to the BPS is the use of a VOR or preferred suppliers list, as described in Section 5.3.8.2.1. The use of a VOR or preferred suppliers list is a cost-effective procurement method when the open competitive process is not required or when specific suppliers are to be invited to a competitive process. Organizations should take advantage of VORs or preferred suppliers lists as the suppliers on the list tend to offer the best prices for those goods and services they provide.

5.3.9.1 Exemptions from the Competitive Process

In certain unique circumstances, organizations will not have the ability to go through a competitive process for their procurement activity. This section covers non-competitive purchasing when an organization goes directly to one supplier to meet the requirements of the procurement.

There are two main types of direct awards.

- a. Single Sourcing is the use of a non-competitive procurement process to acquire goods, services or construction from a specific supplier even though there may be more than one supplier capable of delivering the same goods, services or construction.
- b. Sole Sourcing means the use of a non-competitive procurement process to acquire goods or services where there is only one available supplier for the source of the goods or service.

5.3.9.1.1 *Single Sourcing*

Allowable exceptions for competitive procurements include:

- a. Where an unforeseen situation of urgency exists and the goods, services or construction cannot be obtained by means of open procurement procedures. Where a non-competitive procurement is required due to an urgent situation, organizations may conduct the procurement prior to obtaining the appropriate approvals provided that the urgency has been justified in writing;

- b. Where goods or consulting services regarding matters of confidential or privileged nature are to be purchased and the disclosure of those matters through an open competitive process could reasonably be expected to compromise confidentiality, cause economic disruption or otherwise be contrary to the public interest;
- c. Where a contract is awarded under a cooperation agreement that is financed, in whole or in part, by an international organization only to the extent that the agreement includes different rules for awarding contracts;
- d. Where construction materials are to be purchased and it can be demonstrated that transportation costs or technical considerations impose geographic limits on the available supply base, specifically in the case of sand, stone, gravel, asphalt compound and pre-mixed concrete for use in the construction or repair of roads;
- e. Where an open competitive process could interfere with the organization's ability to maintain security or order or to protect human, animal or plant life or health;
- f. Where there is an absence of any bids in response to an open competitive process that has been conducted in compliance with this document; and
- g. Where only one supplier is able to meet the requirements of procurement in the circumstances (sole sourcing).

5.3.9.1.2 Sole Sourcing

In accordance with the AIT, in the situation where only one supplier is able to meet the requirements of a procurement, an organization may use procurement procedures that differ from those described in Section 5.3.8 of this document in the following circumstances:

- a. To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licences, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative;
- b. Where there is an absence of competition for technical reasons and the goods or services can only be supplied by a particular supplier and no alternative or substitute exists;
- c. For the procurement of goods or services, the supply of which is controlled by a supplier that is a statutory monopoly;
- d. For the purchase of goods on a commodity market;
- e. For work to be performed on or about a leased building or portions thereof that may be performed only by the leaser;
- f. For work 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 work;
- g. For a contract to be awarded to the winner of a design contest;
- h. For the procurement of a prototype or a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases;
- i. For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases;
- j. For the procurement of original works of art;

- k. For the procurement of subscriptions to newspapers, magazines or other periodicals; and
- l. For the procurement of real property.

5.3.9.2 Non-Competitive Procurement Documentation

Mandatory Requirement #22

When a BPS organization bypasses the competitive process for any of the situations identified in Section 5.3.9.1, formal documentation must be completed to support and justify the decision. This documentation must be completed and approved by the appropriate authority levels within the organization and may be used as supporting documentation in the case of a competitive dispute.

A sample non-competitive process bypass template is included within the sample approval form provided in Section 5.4.6.1: Sample Procurement Approval Authority Form including Non-Competitive Award Bypass.

For a suspected sole sourcing situation, an organization can post a public notice that it will be awarding a particular good or service to a company without going through a competitive process and ask for disputes. If no disputes arise, the organization has done the due diligence required to ensure that it is a sole sourcing situation.

5.3.10 ENVIRONMENTAL SOURCING

BPS organizations are encouraged to consider environmentally responsible and sustainable products and services as part of their purchasing decisions. The objectives of environmental sourcing are to :

- a. Provide an environmental role model for public procurement by making it a priority to use environmentally responsible products and services, where feasible and cost effective;
- b. Support a healthier working environment for employees and for citizens in general through the purchase of environmentally preferable goods and services;
- c. Increase demand for environmentally responsible products and services, which may ultimately enhance their quality and cost competitiveness; and
- d. Increase the conservation of resources through the use of more reusable products, and/or products and services that require less energy and materials to produce or use.

The procurement needs of public organizations in Ontario represent a significant level of responsibility to demonstrate leadership and support for greener business practices. Integrating environmental performance and impact into supply chain decisions is a commitment to improvement of the environment and the quality of life of Canadians.

Green procurement must be viewed in the context of achieving value for money for the total life-cycle costs. It requires the inclusion of environmental impact considerations into the procurement process, including planning, acquisition, use and disposal. Value for money must include the consideration of many environmental tangible and intangible factors when determining the total life-cycle costs and environmental impact.

This requires an understanding of the environmental aspects and potential impacts associated with the life-cycle assessment of goods and services being acquired. The life-cycle approach must examine costs beyond the up-front acquisition cost of goods or services, such as costs associated with operating, maintaining and disposing of the goods. Environmental considerations include, among other things: the reduction of greenhouse gas emissions and air contaminants; improved energy and water efficiency; reduced waste and support of reuse and recycling; the use of renewable resources; reduced hazardous waste; and reduced toxic and hazardous substances.

Assessment of life-cycle costs will commonly require input from a broad range of sources including program managers, project authorities, procurement authorities, operational users, environmental and disposal experts, cost accountants and financial management advisor, and standards organizations. Dialogue with the supplier community can also be useful to find out what is available and to inform the market of future requirements. Care should be taken not to distort competition — this process should not give any advantage to particular suppliers.

Activities to support green procurement should be incorporated during each stage of the procurement process. The following table outlines opportunities to integrate such considerations:

Recommended Framework: Green Procurement Considerations

Procurement Step	Traditional Focus Areas	Green Focus Areas
Step 1 Assess Opportunity	Spend analysis focuses primarily on materials and logistics costs	Spend analysis encompasses direct and indirect environmental costs (e.g., energy consumption, disposal, packaging waste, water)
Step 2 Assess Internal Supply Chain	Specification focused, map current process and identify process opportunities	Specification review and design considers industry's environmentally sound products and services
Step 3 Assess Supply Market	Identify potential sources of supply and perform supplier assessments/comparisons	Supply base includes suppliers who specialize in more efficient and sustainable products (e.g., possible commodity substitutions and new manufacturing processes)
Step 4 Develop Sourcing Strategy	Confirm scope, determine desired outcomes and brainstorm process enhancement	Sustainability considerations and criteria are specified in the RFP document (e.g., energy, disposal, water usage costs may be solicited from suppliers for analysis)
Step 5 Implement Strategy	Develop/implement supplier solicitation strategy, conduct supplier negotiation and award contract	Bid analysis quantifies cost/benefits of sustainability attributes (e.g., energy consumption, carbon footprint or waste)
Step 6 Institutionalize Strategy	Transition to new process, develop supplier relationships, implement operation changes and monitor/report performance	Sustainability attributes closely tracked and audited

Procurement measures such as purchasing environmentally responsible products and supplies as well as adopting pollution prevention criteria when purchasing goods, services and construction are examples of initiatives to advance sound environmental management for organizational operations. Other examples of green procurement would include identifying or sourcing:

- a. More energy-efficient products and services;
- b. Materials and products with higher recycled or organic content;
- c. Materials and products with lower hazardous material content, emissions of greenhouse gases, bio-accumulative pollutants, ozone-depleting substances, or volatile organic compounds and particular matter;
- d. Materials and products with longer lifespans;
- e. Materials and products with greater end-of-life disposal provisions;
- f. Methods to reduce water consumption or contamination (e.g., cleaning products);
- g. Suppliers with environmentally sustainable production practices;
- h. Commodities with environmentally sustainable alternatives; and
- i. Opportunities to collaborate with suppliers on green initiatives, such as reducing packaging of goods, ability to reuse packaging, reduced pollution due to transportation requirements via improved order patterns, use of hybrid fleets or reusable containers.

Organizations must be in a position to demonstrate value for money in awarding the contract, i.e., the contract should be awarded to the proponent offering the best combination of costs, quality and performance to meet that requirement over its life cycle. The requirement for environmentally friendly products should also be tested for need, affordability and cost-effectiveness in the context of the organization's mandate and overall program objectives.

A clear definition of the technical requirements including the environmental outcomes to be achieved, terms and conditions, including environmental terms such as use of certified recyclers, mandatory requirements and bid evaluation criteria, as applicable, as well as the contractor selection methodology, will permit the award of a contract that supports value-for-money propositions.

Organizations and purchasing professionals are encouraged to familiarize themselves with environmental certification labels such as ENERGY STAR®. Additional information regarding purchasing energy-efficient products such as office equipment, HVAC, lighting, and other commercial equipment is available at <http://oee.nrcan.gc.ca/energystar>.

5.3.11 PROCUREMENT DOCUMENTS AND RECORDS RETENTION

BPS organizations must retain the procurement documents as well as any other pertinent information for reporting and auditing purposes. These documents may also be used as support in the event of a bid protest or competitive process dispute.

A record of the procurement process documentation includes the following:

- a. A copy of the procurement justification or the business case;
- b. Information regarding all supplier consultations, including any requests for information, undertaken in the development of the procurement business case and/or procurement documents;

- c. Evidence that all required approvals were obtained;
- d. Copies of all procurement documents used to qualify and select the supplier;
- e. Where the procurement was conducted through a VOR arrangement, information regarding the second-stage selection process used to select the particular vendor of record;
- f. Where the procurement was single or sole sourced, documented justification, applicable exemptions and associated approvals;
- g. Copies of all advertisements of procurement documents;
- h. Copies of all successful and unsuccessful responses, submissions, proposals and bids received in response to procurement documents, including the conflict-of-interest declaration and other attached forms;
- i. Information regarding any issues that arose during the procurement process;
- j. Information regarding all evaluations of submissions, proposals and bids received in response to procurement documents;
- k. Information regarding all vendor debriefings including written documentation of the offer of vendor debriefing;
- l. Copies of all award letters, notices, and posted announcements;
- m. Copies of the Agreement(s);
- n. Information regarding all changes to the terms and conditions of the Agreement, including any changes that resulted in an increase in the Agreement price;
- o. Information regarding the management of the supplier, including how the supplier's performance was monitored and managed and, where applicable, mechanisms used to transfer knowledge from the supplier to organization staff;
- p. Risk assessment information and recommendations, where applicable;
- q. Contractor security screening decisions, where applicable;
- r. Information regarding all protests, disputes or supplier complaints regarding the procurement including any Agreement disputes;
- s. Evidence of receipt of deliverables; and
- t. Any other documentation as identified by the organization.

Mandatory Requirement #23

All procurement documents, as well as any other pertinent information for reporting and auditing purposes must be maintained for a period of seven years and be in recoverable form if requested.

The BPS organizations should have a process that defines how confidential information is to be stored and the location of the storage.

5.3.12 CONFLICTS OF INTEREST

Mandatory Requirement #24

BPS organizations must consider any conflicts of interest during procurement activities applicable to all employees, advisors, external consultants or suppliers. The organization must require any individual involved in supply chain-related activities to declare all actual or potential conflicts of interest.

5.3.12.1 Suppliers

BPS organizations involved in procurement activities with suppliers must implement provisions that:

- a. Define conflict of interest to include situations or circumstances that could give a supplier an unfair advantage during a procurement process or compromise the ability of a supplier to perform its obligations under the agreement;
- b. Reserve the right of the organization to solely determine whether any situation or circumstance constitutes a conflict of interest;
- c. Reserve the right of the organization to disqualify prospective suppliers from a procurement process due to a conflict of interest;
- d. Require prospective suppliers participating in a procurement process to declare any actual or potential conflict of interest;
- e. Require suppliers to avoid any conflict of interest during the performance of their contractual obligations for the organization;
- f. Require suppliers to disclose any actual or potential conflict of interest arising during the performance of an agreement;
- g. Reserve the right of the organization to prescribe the manner in which a supplier should resolve a conflict of interest;
- h. Allow the organization to terminate an agreement where a supplier fails to disclose any actual or potential conflict of interest or fails to resolve its conflict of interest as directed by the organization; and
- i. Allow the organization to terminate an agreement where a conflict of interest cannot be resolved.

5.3.12.2 Consultants

Organizations must be aware of the conflict of interest created when a consulting organization is involved in the development of the competitive documents and also has the ability to fulfill the procurement needs that are being contemplated in those competitive documents. Organizations must be very clear and insist on documented agreements that any consultant involved in developing the competitive documents cannot be involved in the creation of the response to those competitive documents.

5.3.12.3 Employees and Advisors

Organizations must also consider that there may be conflicts of interest where their own employees or advisors may be involved. In cases where employees, senior management, boards or trustees are expected to declare a conflict of interest, BPS organizations must request that a conflict-of-interest declaration be signed. A sample form is provided in 5.4.6.7: Sample General Conflict of Interest Declaration Template. The employee or advisor is ultimately responsible and accountable for using good judgment in the exercise of the organization's duties and must:

- a. Disclose conflicts of interest to his or her department supervisor or designate in writing; and
- b. Avoid situations that may present conflicts of interest while dealing with persons or organizations doing business or seeking to do business with the organization.

Situations that might result in a conflict of interest include the following:

- a. Engaging in outside employment;
- b. Not disclosing an existing relationship that may be perceived as being a real or apparent influence on their objectivity in carrying out an official role;
- c. Providing assistance or advice to a particular supplier participating in a competitive process;
- d. Having an ownership, investment interest, or compensation arrangement with any entity participating in a competitive process;
- e. Having access to confidential information; and
- f. Accepting favours or gratuities from those doing business with the organization.

Organizations need to consider situations where there may be an employee or advisor conflict of interest and those situations must be dealt with accordingly.

5.3.12.4 Evaluation Team Members

In addition to the situations that might result in a conflict of interest for all employees and advisors, organizations must be aware of and identify any additional conflicts of interest that may arise as a result of evaluation team members participating in the selection of products or services. As written in Section 5.3.8.3.4, evaluation team members must sign a conflict-of-interest and non-disclosure agreement before each evaluation.

5.3.13 BID PROTEST PROCEDURES

Each BPS organization must have bid protest procedures that allow suppliers to submit protests concerning any aspect of the procurement process. For the purposes of this document, the procurement process begins after an organization has decided on its procurement requirement(s) and continues through to the awarding of the contract.

Mandatory Requirement #25

BPS organizations must communicate the bid protest procedures for suppliers in all competitive and procurement documents to ensure that any dispute is handled in a reasonable and timely fashion. BPS organizations must ensure that their process is compliant with the bid protest procedures as set out in the AIT and the Ontario-Quebec Procurement Agreement.

Organizations must also have a dispute resolution process built into their contracts with the chosen supplier to manage disputes throughout the life of the contract. It is recommended that for contracts with international suppliers, the process should state that arbitration will be in Canada.

5.4 SUPPORTING DOCUMENTS

5.4.1 INPUT DOCUMENTS

- 1. A Guide to Developing Procurement By-Laws — Ministry of Municipal Affairs and Housing (July 2003)**

Ontario Ministry of Municipal Affairs and Housing. (May 2003). A guide to developing procurement by-laws: meeting the requirements of the *Municipal Act, 2001*. Retrieved April 8, 2009, from <https://ozone.scholarsportal.info/bitstream/1873/5494/1/10313545.pdf>
- 2. Agreement on Internal Trade (AIT) (May 2007)**

Government of Canada. (February 2009). A consolidation of the Agreement on Internal Trade (the original Agreement as modified by subsequent protocols of amendment). Retrieved April 8, 2009, from http://www.ait-aci.ca/index_en/ait.htm
- 3. BPS Supply Chain Procurement Policy Guidelines (December 2007)**

BPS Supply Chain Secretariat, Ontario Ministry of Finance. (June 2008). *OntarioBuys Procurement Policy Guidelines*. Toronto: BPS Supply Chain Secretariat. (Available upon request.)
- 4. City of London — Purchasing and Materials Management Policy (September 2003)**

City of London. (November 2003). *Purchasing and Materials Management Policy*. Retrieved April 14, 2009, from http://www.london.ca/Tenders_and_RFPs/PDFs/Policy.pdf
- 5. City of Ottawa Purchasing By-Law (November 2003)**

City of Ottawa. (November 2003). *Purchasing BY-LAW NO. 50 of 2000*. Retrieved April 8, 2009, from http://www.ottawa.ca/residents/bylaw/a_z/purchasing_en.html
- 6. Federal Government Purchasing Policies and Procedures**

Government of Canada. (August 2008). *How the Government of Canada Buys Goods and Services*. Retrieved April 14, 2009, from <http://www.contractscanada.gc.ca/en/how-e.htm>
- 7. Humber College Purchasing Policies and Procedures (2007)**

Humber College Institute of Technology and Advanced Learning. (August 2008). *Purchasing Policy*. Retrieved April 8, 2009, from http://www.humber.ca/purchasing/policies/purchasing_policy_409.pdf
- 8. Management Board of Cabinet Procurement Directive (November 2007)**

Ontario Ministry of Government Services. (November 2007). *Management Board of Cabinet Procurement Directive*. Retrieved April 8, 2009, from http://intra.pmed.mbs.gov.on.ca/mbc/pdf/ProcurementDirective_November2007.pdf (Available upon request.)
- 9. Management Board Procurement Operating Policy (November 2007)**

Ontario Management Board of Cabinet. (November 2007). *Procurement Operating Policy*. Retrieved April 14, 2009, from http://intra.pmed.mbs.gov.on.ca/mbc/pdf/ProcurementOperatingPolicy_November2007.pdf (Available upon request.)
- 10. MEDEC Competitive Position Paper (Spring 2007)**

MEDEC. (2007). *Tendering for Medical Devices*. Retrieved April 8, 2009, from http://www.medec.org/files/images/Tendering_pos_paper_Spr2007.pdf

11. Plexxus Purchasing Policies and Procedures (March 2008)

Plexxus. (April 2008). *Purchasing Procedures*.

12. Toronto District School Board Purchasing Policy and Administrative Procedures (January 2007)

Toronto District School Board. (January 2007). *Purchasing Policy*. Retrieved April 14, 2009, from <http://www.tdsb.on.ca/ppf/uploads/files/live/93/180.pdf>

13. Toronto Municipal Code — Purchasing (March 2001)

City of Toronto. (September 2004). Purchasing. In City of Toronto *Municipal Code* (Chapter 195), Retrieved April 14, 2009, from http://www.toronto.ca/legdocs/municode/1184_195.pdf

14. Trillium Lakelands District School Board Administrative Procedure for the Procurement of Goods and Services (June 2007)

Trillium Lakelands District School Board. (June 2007). *Procurement of Goods and Services Policy*. Retrieved April 14, 2009, from http://www.tdsb.on.ca/pdfs/Policies/Business/BU_3015.pdf

Trillium Lakelands District School Board. (June 2007). *Procurement of Goods and Services Procedure*. Retrieved April 14, 2009, from http://www.tdsb.on.ca/pdfs/Policies/Business/BU_3016_AP.pdf

15. York University Procurement Policy (2007)

York University. (June 2007). *Procurement of Goods and Services*. Retrieved April 14, 2009, from <http://www.yorku.ca/univsec/policies/document.php?document=58>

16. Public Works and Government Service Canada (PWGSC)

Public Works and Government Services Canada. (January 2009). *Procurement 101: The Low-Down on Government Purchasing*. Retrieved April 14, 2009, from <http://www.tpsgc-pwgsc.gc.ca/bulletin/fa-db/2009/2009-01/2009-01-007-eng.html>

Public Works and Government Services Canada. (January 2009). *Buying and Selling*. Retrieved April 14, 2009, from <http://www.tpsgc-pwgsc.gc.ca/services/chts-bng-eng.html>

5.4.2 LIST OF MANDATORY REQUIREMENTS

Within the PPP, 25 policies and procedural rules have been identified. These requirements make up the mandatory requirements and have been summarized below.

Segregation of Duties and Approval Authority Levels

1. Segregation of Duties — BPS organizations must segregate at least three of the five functional roles. Responsibilities for these functions should lie with different departments or at a minimum with different individuals. In circumstances where it is not feasible to segregate three roles, as in the case with smaller organizations, adequate compensating controls approved by the external auditor will be acceptable. (Section 5.3.6.1)
2. Approval Authority — BPS organizations must have a documented delegation of authority schedule that outlines the organization's authority levels for each of the five functional roles described in the segregation of duties (Section 5.3.6.1) and seek the necessary approval for all procurements prior to conducting the procurement. (Section 5.3.6.2)

Competitive vs. Non-Competitive Procurement

3. Competitive vs. Non-Competitive Procurement Process Determination — In accordance with the AIT, the Ontario-Quebec Procurement Agreement and the PPP's principle of transparency, BPS organizations must conduct open competitive procurements where the estimated value of procurement of goods, services or construction⁴ is \$100,000 or greater. (Section 5.3.7.1)

Competitive Procurement

4. Information Gathering — A response to an RFI or RFEI must not pre-qualify a potential supplier and must not influence their chances of being the successful proponent on any subsequent opportunity. (Section 5.3.8.1.2)
5. Pre-Qualification — BPS organizations must ensure that the terms and conditions built into the RFSQ contain specific language to disclaim any obligation on the part of the BPS organization to actually call on any supplier as a result of the pre-qualification to supply such materials or services. (Section 5.3.8.1.3)

Purchasing

6. Advertising and Posting Competitive Documents to Market — In accordance with the AIT, calls for competitive procurements shall be made through an electronic tendering system that is equally accessible to all Canadian suppliers.

Construction contracts between \$100,000 and \$250,000 are not subject to the requirements of the AIT. Calls for those competitive procurements can be made through an electronic tendering system and/or one or more of the following methods:

- a. Publication in one or more predetermined daily newspapers that are easily accessible to all Canadian suppliers; or
- b. The use of source lists, such as VORs or preferred suppliers lists. (Section 5.3.8.2.3)

⁴ The threshold for construction has been set to align with the lower of the two requirements as set by the AIT and the Ontario-Quebec Procurement Agreement respectively.

7. Timelines for Posting Competitive Procurements — Purchasing BPS organizations must provide suppliers a minimum response time of 15 calendar days for procurements valued at \$100,000 or more. (Section 5.3.8.2.5)

Evaluation

8. Bid Receipt — BPS organizations must ensure that the closing date is set on a normal working day (Monday to Friday, excluding provincial and national holidays). Submissions that are delivered after the closing time must not be considered. (Section 5.3.8.3.1)
9. Evaluation Criteria — Evaluation criteria should be developed, reviewed and approved before the competitive process begins. These criteria must be included in the competitive documents. The competitive documents must also identify those criteria that are considered mandatory and any technical standards that need to be met. The evaluation criteria cannot be changed or altered once the competitive process has begun. (Section 5.3.8.3.2)
10. Evaluation Process — BPS organizations must fully disclose the evaluation methodology and process to be used in assessing a supplier's submission. (Section 5.3.8.3.3)
11. Evaluation Team — Evaluation team members must be aware of the restrictions related to confidential information shared through the competitive process and refrain from engaging in activities that may create or appear to create a conflict of interest. BPS organizations must require team members to sign a conflict-of-interest declaration and non-disclosure agreement. (Section 5.3.8.3.4)
12. Evaluation Matrix — BPS organizations must ensure that each member of the evaluation team has completed an evaluation matrix rating each of the proponents. Records of evaluation scores must be auditable. Evaluators should be aware that everything they say or document must be fair, factual, fully defensible and may be subject to public scrutiny. (Section 5.3.8.3.5)
13. Selection Process — BPS organizations must select only the highest ranked submission(s) that have met all mandatory requirements set out in the related procurement document. In responding to procurement documents, suppliers may sometimes propose alternative strategies or solutions to the organization's business needs. Unless expressly requested in the procurement documents, organizations must not consider alternative strategies or solutions proposed by a supplier. (Section 5.3.8.3.5)
14. Tie-Score Process — The method to resolve a tie score must be identified in the evaluation criteria of the RFP, including weighting, if applicable. Tie-break criteria are also subject to the rules of non-discrimination defined in Section 5.3.8.3.6. (Section 5.3.8.3.5)
15. Non-Discrimination — In compliance with the AIT, BPS organizations must refrain from any discrimination or preferred treatment in awarding a contract to the preferred supplier from the competitive process, unless justifiable based on the circumstances described below. (Section 5.3.8.3.6)

Contract Award

16. Executing the Contract — The agreement between the purchasing BPS organization and the successful supplier must be defined formally in a signed written contract before the provision of the goods, services or construction commences. When executing the contract, the organization must obtain the supplier signatures before obtaining the designated organization's signature. In situations where an immediate need exists for goods or services and the purchasing organization and the supplier are unable to finalize a contract, a letter of intent, memorandum of understanding (MOU) or interim purchase order may be used. This will allow for the immediate needs to be met, while final negotiations take place towards finalizing the contract. (Section 5.3.8.4.1)
17. Establishing the Contract — The contract must be finalized using the form of agreement/contract that was released with the procurement document. (Section 5.3.8.4.1)
18. Termination and Cancellation Clauses — All contracts must include appropriate cancellation or termination clauses and BPS organizations should seek appropriate legal advice on the development of these clauses. (Section 5.3.8.4.1)
19. Contract Extensions — The term of the agreement and any options to extend the agreement must be set out in the procurement document. Changes to the term of the agreement may change the procurement value. Prior written approval by the appropriate approval authority is necessary before changing contract start and end dates. Extensions to the term of agreement beyond what is set out in the procurement document are considered non-competitive procurements and BPS organizations must seek appropriate approval authority prior to proceeding. (Section 5.3.8.4.1)
20. Award Notification — For purchases valued at \$100,000 or greater, BPS organizations must post, in the same manner as the procurement documents were posted, the name(s) of the successful supplier(s). Contract award notification must occur only after the agreement between the successful supplier and the organization has been signed. The contract award notification must include the agreement start and end dates, including any options for extension and the total agreement value. (Section 5.3.8.4.2)
21. Vendor Debriefing Notification — For purchases valued at \$100,000 or greater, BPS organizations must inform all suppliers who participated in the procurement process of their entitlement to a debriefing. (Section 5.3.8.4.3)

Non-Competitive Procurement

22. Non-Competitive Procurement Documentation — When a BPS organization bypasses the competitive process for any of the situations identified in Section 5.3.9.1, formal documentation must be completed to support and justify the decision. This documentation must be completed and approved by the appropriate authority levels within the organization and may be used as supporting documentation in the case of a competitive dispute. (Section 5.3.9.2)

Procurement Documents and Records Retention

23. Records Retention — All procurement documents, as well as any other pertinent information for reporting and auditing purposes, must be maintained for a period of seven years and be in recoverable form if requested. (Section 5.3.11)

Conflict of Interest

24. Conflict of Interest — BPS organizations must consider any conflicts of interest during procurement activities applicable to all employees, external consultants or suppliers. The organization must require any individual involved in supply chain-related activities to declare all actual or potential conflicts of interest. (Section 5.3.12)

Bid Protest Procedures

25. Bid Protest Procedures — BPS organizations must communicate the bid protest procedures for suppliers in all competitive and procurement documents to ensure that any dispute is handled in a reasonable and timely fashion. BPS organizations must ensure that their process is compliant with the bid protest procedures as set out in the AIT and the Ontario-Quebec Procurement Agreement. (Section 5.3.13)

5.4.3 CANADIAN CONTRACT AND PROCUREMENT LAW

Contract law is complex. This is a brief summary of certain aspects of contract and procurement law.

Five elements must be present for there to be an enforceable contract:

- a. There is an OFFER and an ACCEPTANCE;
- b. Both parties have the CAPACITY to contract;
- c. CONSIDERATION (value) has been agreed upon;
- d. There is INTENT by both parties to enter into a legally binding contract; and
- e. The purpose of the contract is LEGAL.

Effective procurement within the BPS is a balance between the principles of fair, open and transparent procurement; business considerations; and the obligations imposed by law. A completed procurement cycle results in an agreement between a BPS organization and a second party for the provision of materials, services or construction in exchange for some form of consideration. Common law with respect to contracts applies to both the final agreement and the competitive processes that lead up to the final agreement. There has been a long series of legal cases, including Supreme Court of Canada cases, that have provided guidance on the basic contractual relationships. These relationships have been called the “Contract A”/ “Contract B” situation.

In the BPS, a Request for Tender (RFT), Request for Quotation (RFQ), and Request for Proposal (RFP) are all types of solicitation documents used to invite submissions from which a successful proponent is selected. The submission/receipt of a compliant tender, quotation or proposal may create a binding bid contract or “Contract A” between a BPS organization and the proponent. The only exceptions are where a submission is materially noncompliant or is withdrawn prior to closing.

The compliant submission is an acceptance of the purchaser’s offer (solicitation) to enter into a “Contract A” (the bid contract) and it is also an offer by the proponent to enter into “Contract B” (a performance contract to be awarded to the winner) based on its submission.

The existence of a “Contract A” means that the proponents have accepted the terms contained within the competitive procurement documents and the rules cannot be changed without advising all potential proponents. Once the competitive procurement process has closed, nothing can be added, deleted or changed by either party (submissions are normally irrevocable after closing), except as may occasionally be provided for in the terms of the solicitation. If a change of any kind occurs after this time, it may be considered a breach of the “Contract A” (for example, if a submission fails to address a particular mandatory evaluation criterion and a BPS organization were to disregard that omission and award the contract to that proponent). There have been numerous cases over the years involving breaches of a “Contract A” by either party in a competitive procurement process, with the jurisprudence being that failure to properly respect “Contract A” may place significant monetary or other risk on an organization.

This legal process is designed to protect all parties (the purchaser and the proponents). Once the purchasing organization issues the solicitation with its particular rules on how the competitive procurement process will be managed, it must abide by these rules, as must the proponents. If a rule needs to be changed for some reason, this can be done prior to the competitive procurement process closing date, with an addendum being issued to all potential proponents.

The “Contract B” is the actual performance contract. This is the document that specifies the services that will be performed or materials to be provided by the contractor; the payment process and amount; other specific schedules, such as risk management (insurance) and subcontracting; and the contract terms and conditions.

Law of Competitive Processes

The law of competitive bidding, which is also referred to as the law of tender, applies to tenders (which result in bids or quotes). It has also been extended to apply to the RFP process. In Canada, the law of competitive bidding has arisen from a series of provincial and Supreme Court of Canada decisions, which have defined the following principles:

- a. Upon the close of the solicitation, a “Contract A” generally arises between the purchasing organization and each of the proponents submitting a compliant bid or quote.
- b. The terms of a “Contract A” are to be found in the solicitation documents, including the instructions, the form (e.g., RFT, RFQ or RFP) and customs of trade.
- c. If a purchasing organisation deviates from the mandatory requirements of the solicitation documents, then the owner may be liable in breach of contract (i.e., breach of “Contract A”) to the proponents (including the unsuccessful proponents).
- d. A purchasing organization should accept only compliant bids. A compliant bid is one that meets the requirements specified in the RFT or RFQ, or the mandatory requirements in an RFP. If a submission does not strictly meet a requirement, legal services should be consulted to determine whether the non-compliance is a material non-compliance or whether the submission can be deemed substantially compliant.

In an RFT or RFQ, the requirements are clearly defined, with price being the only variable, although the price can reflect total cost of ownership, and work schedule and delivery may also be considerations. An RFP is used to seek a solution to a problem, where price will not be the only consideration, and may not be a consideration at all. An RFP will include both mandatory (e.g., acceptance of terms and conditions) and desirable criteria, and each proposal that meets all of the mandatory criteria will result in the establishment of a “Contract A.”

Regardless of the form of competitive procurement document, unless the process is formally and properly amended, the BPS organization is legally required to comply with the process, particularly the evaluation process, as defined in the competitive procurement documents. Therefore, the BPS organization must comply with the selection criteria, including any weighting, that are described in the competitive procurement documents.

Requests for Information (RFI) and Requests for Expressions of Interest (RFEI) are generally not designed to result in the establishment of a “Contract A,” since there is usually no intention that these information gathering processes will lead to the awarding of a “Contract B.” Requests for Supplier Qualifications (RFSQ) can be used either to gather information or to establish a pre-qualified supplier list, which may be used to directly award a performance contract. An RFSQ may therefore result in the formation of a “Contract A” in some situations.

5.4.4 GLOSSARY OF TERMS

Accountability	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.
Agreement	A formal written document entered into at the end of the procurement process.
Agreement on Internal Trade (AIT)	<p>A national agreement that regulates trade between the provinces to ensure equal access to public sector procurement for all Canadian suppliers. The Agreement aims to reduce barriers to the movement of persons, goods, services and investments within Canada.</p> <p>The agreement can be located at: http://www.ic.gc.ca/eic/site/ait-aci.nsf/eng/home</p>
Approval Authority	The authority delegated by the BPS 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.
Approval Level	Criteria, often dollar levels, that define which approvals are needed for various business transactions. Limits are set on the size and nature of the business transactions and are assigned to the individual or job role authorized to execute based on the appropriate level of responsibility. ⁵
Award	The notification to a proponent of acceptance of a proposal, quotation or tender that brings a contract into existence.
Bid	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 Tender, Request for Proposal and Request for Quotation.
Bid Protest	A dispute raised against the methods employed or decisions made by a contracting authority in the administration of a process, leading to the award of a contract.
Bidders' Conference	A meeting chaired by the soliciting BPS organization to discuss with potential proponents, technical, operational and performance specifications, and/or the full extent of financial, security and other contractual obligations related to a bid solicitation.

⁵ Heydarian, D. (2008). *SAP Business One...To Go - 11. Document Creation, Authorizations, and Approvals*. Retrieved March 23, 2009, from SAP Community Network, Website:<https://www.sdn.sap.com/irj/scn/wiki?path=/display/B1/SAP+Business+One...To+Go+-+11.+Document+Creation,+Authorizations,+and+Approvals>

Competitive Procurement	A set of procedures for developing a procurement contract through a bidding or proposal process. The intent is to solicit fair, impartial, competitive bids. ⁶
Conflict of Interest	<p>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.</p> <p>It is important to note that a conflict of interest exists whether or not decisions are affected by a personal interest; a conflict of interest implies only the potential for bias, not a likelihood.</p> <p>For example: A situation in which someone who must make a decision in an official or professional capacity may stand to profit personally from the decision.⁷</p>
Construction	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.
Contract	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.
Direct Award	The award of a procurement contract without organizing a competitive process. A direct award is only appropriate under certain special circumstances as set out in Section 5.3.9.1. ⁸

⁶ Davis, W.S & Yen, D.C (1998). *The Information System Consultant's Handbook: Systems Analysis and Design* (Chapter 41). CRC Press. Retrieved March 23, 2009, from Halon Institute of Technology, Website: <http://www.hit.ac.il/staff/leonidM/information-systems/ch41.html>

⁷ Fischbach, R. & Plaza, J. (2009). *RCR Conflicts of Interest*. Retrieved March 23, 2009, from Columbia University, Website: http://www.columbia.edu/ccnmtl/projects/rcr/rcr_conflicts/q_a/index.html

⁸ European Commission (2008). *Glossary of terms*. Retrieved on March 23, 2009, from Practical Guide and General annexes, Website: http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/documents/a1_glossary_en.doc.

Electronic Tendering	A computer-based system that provides suppliers with access to information related to open competitive procurements.
Evaluation Criteria	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. ⁹
Evaluation Matrix	A tool allowing the evaluation team to rate supplier proposals based on multiple pre-defined evaluation criteria.
Evaluation Team	Individuals designated/responsible to make award recommendation. The evaluation team would typically include representatives from the purchasing organization and subject matter expert(s). Each member participates to provide business, legal, technical and financial input. ¹⁰
Evaluation Team Lead	The individual selected by the evaluation team to be responsible for coordinating the evaluation process.
Fair Market Value	The price that would be agreed to in an open and unrestricted market between knowledgeable and willing parties dealing at arm's length who are fully informed and not under any compulsion to transact.
Fiscal Year	<p>Twelve-month period covered by the government's yearly budget, defined by the date in which it ends.</p> <p>Each fiscal year runs from April 1 to March 31 of the next calendar year; i.e., fiscal year 2008–09 runs represents the 12-month period from April 1, 2008 to March 31, 2009.</p>
Freedom of Information and Protection of Privacy Act (FIPPA)	<p>The <i>Freedom of Information and Protection of Privacy Act</i> (FIPPA) is a National legislation stipulating a right of access to records held by public bodies and regulates how public bodies manage personal information.</p> <p>http://www.accessandprivacy.gov.on.ca/english/act/index.html</p>
Goods	In relation to procurement, 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.

⁹ Business Dictionary (2009). *Evaluation Criteria*. Retrieved on March 23, 2009, from <http://www.businessdictionary.com/definition/evaluation-criteria.html>

¹⁰ Virginia's Information Technologies Agency (2008). *Procurement Manual* (Chapter 13). Retrieved March 23, 2009, from The IT Procurement Project Team, Website: http://www.vita.virginia.gov/uploadedFiles/SCM/Procurement_Manual/Chapter_13/SCM_Chapter13.pdf

Green Procurement	<p>The purchase of environmentally preferable goods and services and the integration of environmental performance considerations into the procurement process including planning, acquisition, use and disposal.</p> <p>Environmentally preferable goods and services are those that have a lesser or reduced impact on the environment over the life cycle of the good or service, when compared with competing goods or services serving the same purpose.</p> <p>Environmental performance considerations include, among other things: the reduction of greenhouse gas emissions and air contaminants; improved energy and water efficiency; reduced waste and support of reuse and recycling; the use of renewable resources; reduced hazardous waste; and reduced toxic and hazardous substances.</p>
Group Purchasing Initiatives (GPI)	<p>A buying group created to achieve efficiencies and economies of scale by combining the purchasing requirements and activities of multiple organizations¹¹ into one joint procurement process. GPI's include cooperative arrangements in which individual members administer the procurement function for specific contracts for the group, and more formal corporate arrangements in which the organization administers procurement for group members. GPI's may involve a variety of entities, including public sector, private sector and not-for-profit organizations. Also, GPIs may develop common contracts available to a broader group, which allow members to select from multiple suppliers.</p>
In-Scope Recipients	<p>BPS organizations that, after April 1, 2009, have entered into a funding agreement (or agreements) for more than \$10 million (cumulatively) per year with the Ministries of Health and Long-Term Care, Education and Training, Colleges and Universities.</p>
Non-Discrimination	<p>Fairness in treating suppliers and awarding contracts without prejudice, discrimination or preferred treatment, unless justifiable by the situations outlined in Section 5.3.8.3.6.</p>
Offer	<p>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.</p>
Procurement	<p>Acquisition by any means, including by purchase, rental, lease or conditional sale, of goods, services or construction.</p>

¹¹ The minimum number of entities required to qualify as a Group Purchasing Initiative will be defined in 2009–10.

Procurement Card (P-Card)	<p>An organizational credit card program primarily used for low-cost, non-inventory, non-capital items, such as office supplies or travel expenses. 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.</p> <p>Unlike the P-card, which is primarily a purchasing tool, a corporate card is issued to an individual under a corporate program, with the purpose of paying for expenses related to their job. Corporate cards will often have individual billing but central account management.¹²</p>
Procurement Lead	The individual assigned for each procurement who will be accountable for meeting the requirements of this document.
Procurement Policies and Procedures (PPP)	A document providing a framework and 25 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 purchasing and contract awarding. The PPP provides a common set of rules for managing the procurement of goods, services and construction across the BPS.
Procurement Value	The estimated total financial commitment resulting from a procurement, taking into account optional extensions.
Purchase Order (PO)	A purchaser's written offer to a supplier formally stating all terms and conditions of a proposed transaction.
Request for Expressions of Interest (RFEI)	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.

¹² CA Magazine, (2004). *P-card makes purchasing easier*. Retrieved on March 24, 2009, from CA Magazine, Website: <http://www.camagazine.com/2/2/7/0/0/index1.shtml>

Request for Information (RFI)	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.
Request for Proposal (RFP)	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.
Request for Supplier Qualifications (RFSQ)	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. BPS organizations must ensure that the terms and conditions built into the RFSQ contain specific language to disclaim any obligation on the part of the BPS organization to actually call on any supplier as a result of information-gathering activities to supply such materials or services.
Request for Tender (RFT):	A document used to request supplier responses to supply goods or services based on stated delivery requirements, performance specifications, terms and conditions. An RFT usually focuses the evaluation criteria predominantly on price and delivery requirements. This document may also be called a Request for Quotation (RFQ) where the organization has described exactly what needs to be purchased and the evaluation is made solely on price.
Requisition	A formal request to obtain goods or services made within a BPS organization, generally from the end-user to the purchasing department.
Segregation of Duties	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. ¹³

¹³ Gregg, J., Nam, M., Northcutt, S. & Pokladnik, M. (2008) *Security Laboratory: Separation of Duties in Information Technology*. Retrieved March 23, 2009, from The SANS Technology Institute, Website: http://www.sans.edu/resources/securitylab/it_separation_duties.php

Services	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.
Single Source	The use of a non-competitive procurement process 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.
Sole Source	The use of a non-competitive procurement process to acquire goods or services where there is only one available supplier for the source of the goods or service.
Supplier/Vendor	Any person who, based on an assessment of that person's financial, technical and commercial capacity, is capable of fulfilling the requirements of a procurement.
Supply Chain Management	The full range of processes that manage the flow of goods and services, information, and dollars between suppliers, customers and end-users, as well as the supporting infrastructure required to enable these processes.
Supply Chain-Related Activities	Any activity whether directly or indirectly related to an organization's plan, source and procure, move and pay processes. It includes everything, starting from research, scoping and defining needs by end-users until the final payment.
Total Cost of Ownership/ Total Life-Cycle Costs (TCO)	An estimate or calculation that considers all direct and indirect costs of an asset, good or service over its useful life, from acquisition to disposal. Total cost of ownership includes items such as the purchase price, implementation fees, upgrades, maintenance contracts, support contracts, licence fees and disposal costs. ¹⁴
Transparency	A foundational objective of the PPP. BPS institutions must be open to all stakeholders. BPS suppliers must have fair access to information on procurement opportunities, processes and results.
Vendor Debriefing	A practice of informing a supplier as to why their bid was not selected upon completion of the contract award process. The process and elements of a vendor debrief session are detailed in Section 5.3.8.4.3.
Value for Money/ Best Value	A foundational objective of the PPP. BPS institutions must maximize the value they receive from the use of public funds. A value-for-money approach aims to deliver products and services with a lower total life-cycle cost while maintaining a high standard.

¹⁴ Vitasek, K. (2009). *Supply Chain Management Terms and Glossary*. Retrieved March 23, 2009, from Council of Supply Chain Management Professionals, Website: <http://cscmp.org/digital/glossary/document.pdf>

Vendors-of-Record (VOR) Arrangement A procurement arrangement that authorizes organizations to select from one or more pre-qualified vendor(s), typically by way of a formal second-stage process, for a defined period on terms and conditions, including pricing, as set out in the particular VOR agreement. Vendors-of-record arrangements are used to reduce costs to the organization by establishing strategic relationships with a small group of suppliers.

Unless otherwise noted, the above definitions were sourced from the following input documents (Section 5.4.1):

- a. Agreement on Internal Trade (AIT) (May 2007);
- b. Management Board of Cabinet (MBC) Procurement Directive (November 2007);
- c. Management Board of Cabinet (MBC) Procurement Operating Policy (November 2007); and
- d. Public Works and Government Service Canada (PWGSC).

5.4.5 QUESTION & ANSWER

IMPLEMENTATION CONSIDERATIONS

When do the requirements of the PPP take effect?

The PPP with its 25 mandatory requirements, takes effect April 1, 2009. It must be implemented by all In-Scope organizations by the end of the 2009–10 fiscal year.

Do all BPS organization need to replace their existing policies with the PPP provided in the Supply Chain Guideline?

The PPP provided in the Supply Chain Guideline is not intended to replace all existing policies. Organizations may adopt this PPP or choose to maintain their existing policies; however, they must ensure their policies meet the minimum and mandatory requirements outlined in this document. The mandatory requirements are listed in Section 5.4.2 — List of Mandatory Requirements.

Who is responsible and accountable for the adherence to the PPP?

All participants in the procurement process anywhere within the organization are responsible for adhering to the mandatory requirements of the PPP as outlined in Section 5.4.2 — List of Mandatory Requirements. The purchasing department is accountable to ensure their colleagues are aware of the requirements and that the correct procedures are followed.

Has the Province sought to ensure that the PPP does not create unnecessary administrative burden for BPS organizations?

The Province ensured that, wherever possible, the requirements were harmonized with those of the Agreement on Internal Trade (AIT) and the Ontario-Quebec Procurement Agreement. In addition, consultations across the province showed that most of the requirements were already common practice throughout the BPS.

What if BPS organizations discover problems with the PPP or unforeseen situations that the PPP does not address?

The Supply Chain Guideline in general is a living document that will be updated over time. Any issues related to the PPP should be reported to OntarioBuys@Ontario.ca so the Province can address them as required.

CONFLICT OF INTEREST

What is considered a public endorsement?

A public endorsement is considered any situation where a BPS organization recommends or acts as a reference for a supplier in any public arena such as in promotional information, advertisements or supplier websites.

Is the public endorsement of a supplier considered a conflict of interest?

Caution should be exercised in publicly endorsing any supplier; however, particular care should be exercised during periods where the endorsed supplier is participating in a competitive procurement process. It is critical that no benefit be conveyed during the competitive procurement process as a result of any endorsement. BPS organizations should not publicly endorse any particular supplier in procurement situations where it may appear that the BPS organization provided preferential treatment to a single supplier.

How can BPS organization protect themselves from unknown conflict of interest?

The Supply Chain Code of Ethics states that supply chain participants must not engage in activities that would create or appear to create a conflict of interest. To support this principle, BPS organizations must have employees and key stakeholders sign conflict-of-interest agreements where their participation or role requires such impartial decision making. Proper education and communication regarding conflicts of interest will allow supply chain participants to better recognize such situations and identify them to their organization.

How does conflict of interest apply to fundraising?

Any material donation made to an organization under circumstances where it might be inferred that such action was intended to influence or possibly would influence the organization's procurement process or evaluation team should be considered a conflict of interest and the supplier should be disqualified from bidding. During the competitive process, organizations should be particularly careful not to contact any potential vendors that may respond to an open competition for fundraising purposes.

When must you exclude a member of the evaluation team?

If there is an *actual* conflict of interest, those identified should not be involved in the preparation of competitive documents, be a member of an evaluation panel or be involved in negotiating and awarding a contract.

If there is a *perceived* conflict of interest, the Procurement Lead should seek and acquire the evidence required to support the team member's impartial involvement before proceeding with a procurement process or the proposed contract (depending on when the perceived conflict is notified or arises).

COMPETITIVE VS. NON-COMPETITIVE PROCUREMENT

Does compliance with the PPP mean all BPS organizations need to follow the procurement procedures by procurement value outlined in Section 5.3.7; i.e., use of a P-card for all purchases below \$3,000?

No. "The Procurement Procedure Thresholds by Procurement Value" table in Section 5.3.7.1 is provided as an example framework. With the exception of the requirement of an open competitive process for purchases over \$100,000, BPS organizations should seek to develop procedural thresholds for their lower-value procurement needs specific to the needs of their own organization, i.e., organizations may choose to set the limit for P-cards to values below \$2,000.

Under what circumstances may a BPS organization use single or sole sourcing?

The criteria for either sole or single sourcing procurements are detailed in Section 5.3.9.1: Exemptions from the Competitive Process. Single sourcing occurs when BPS organizations use a non-competitive procurement process 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. Sole sourcing occurs when there is only one available supplier for the goods or service. When an organization believes there is only one supplier capable of fulfilling a requirement, the organization can post an advanced notice for a sole source to confirm their assumption. For both single and sole sourcing, it is important to document the justification for non-competitive procurement.

THRESHOLDS AND COVERAGE

What are the thresholds for competitive procurement in the PPP?

In alignment with the Ontario-Quebec Agreement, the threshold for competitive procurement of goods, services and constructions procured by BPS organizations is \$100,000.

Do the thresholds apply to the annual value of a contract or to its total value? If an organization has a three-year contract over \$100,000, but in each of the three years it spends less than \$100,000, do the competitive requirements of the PPP apply?

The competitive requirements would apply in this situation. The key is the total value of the contract that will be advertised, not the amounts that will be paid each year. If it is advertised as one contract that will last three years, and the estimated value exceeds the threshold, BPS organizations should follow the requirements for competitive procurement as specified in Section 5.3.8.

In some cases, it is difficult to get an accurate estimate of a project's total cost. How should a BPS organization deal with a procurement estimated at \$90,000 that may end up exceeding the \$100,000 threshold?

Where the estimated cost of a project or purchase is just under the threshold, and there is a possibility that the contract might exceed the threshold, BPS organizations should consider following the requirements for competitive procurement as specified in Section 5.3.8. The requirements apply to procurement over the thresholds. However, below the thresholds, BPS organizations are encouraged to consider competitive procurement to maximize their chances of securing the most favourable contract.

What happens if a BPS organization estimates a project well below the threshold, but when the full costs come in, the project exceeds the threshold?

If an organization can demonstrate that the project estimate was below the threshold, they have met the requirements of the PPP. However, if bids on a project come in significantly over what the organization has estimated, the organization may want to review the estimate and the project specifications. In some cases, it might be advisable to re-issue the RFP/RFT. If the organization chooses to do this, it should comply with the requirements for competitive procurement as specified in Section 5.3.8.

Some organizations will advertise for a specific good or service, and the contract may be awarded to several suppliers. The total value may exceed the threshold, but the values of the individual contracts could be under the threshold. Would this be covered by the requirements for competitive procurement as specified in Section 5.3.8?

If the opportunity is advertised as a single opportunity and its total value exceeds \$100,000, the requirements for competitive procurement as specified in Section 5.3.8 would apply.

Do the thresholds apply to the value of a project or purchase before taxes?

Yes. The thresholds apply to the value before taxes.

If an organization has a one-year contract with a value below the thresholds, but with the possibility of two one-year extensions that would take the total value above the thresholds, would this be covered?

If a contract will be structured to allow for extensions and it is clear that this would take the total value of the contract over the threshold, the organization must follow the requirements for competitive procurement as specified in Section 5.3.8. Existing multi-year contracts would not be affected.

Would an organization have to follow the requirements for competitive procurement as specified in Section 5.3.8 for reaching a standing agreement with a supplier where no specific volumes or amounts are involved?

If at all possible, the organization should try to estimate the value of the standing agreement. If the estimated value exceeds the threshold, the organization should follow the requirements for competitive procurement as specified in Section 5.3.8. If it is not possible to estimate the value, the organization should employ a competitive process to obtain the best value.

Are shared service organizations and buying groups covered?

Yes. The PPP is also mandatory for shared service organizations owned or funded by In-Scope recipients. Entities participating in buying groups must ensure that the buying group's activities are carried out in accordance with the requirements of this document.

THE COMPETITIVE PROCESS

What is the difference between a Request for Proposal (RFP) and Request for Tender (RFT)?

There are two major differences between an RFP and RFT.

1. Purpose — An RFP is used when the procurement calls for the supply solutions for the delivery of complex products or services or where it is reasonable to expect suppliers to provide alternative options or solutions. An RFT is used in circumstances where the procurement requirements are known and able to be articulated clearly in the document.
2. Evaluation Criteria — When responding to an RFP, suppliers are expected to compete on the merit of their proposed solution, product quality or service capabilities in addition to their proposed solution price. A more robust set of evaluation criteria is typically used in evaluating RFP responses. In the case of RFT, where it is expected there is little variation among proposed solutions, suppliers compete mainly on price.

What are the requirements for posting an open competitive procurement?

All open competitive procurements must be published on any electronic tendering system easily accessible to all suppliers in Canada. The information published must give potential suppliers an overview of the potential procurement and instructions for submitting a proposal. BPS organizations shall provide suppliers with a reasonable period of time to submit a proposal, taking into account the time needed to disseminate the information, and any the provisions for complexity of the procurement. At a minimum, suppliers must be given 15 calendar days to respond.

Transparency and openness can be best achieved through the use of one common electronic system. The Ontario Public sector currently has a contract in place with MERX™ (www.merx.com) to support this goal on a provincial level. This contract is available to the BPS and should be used by all BPS organizations.

AIT recommends that tender notices for all opportunities be posted on a national electronic tendering system, the Alberta Purchasing Connection (APC) to alert all suppliers to the competition. MERX™ will help organizations to fulfill this requirement by forwarding tender notices to APC for BPS opportunities posted on MERX™.

Will BPS organizations only be allowed to use electronic advertising?

BPS organizations must use electronic advertising to post any competitive document, e.g., RFP, RFI and RFSQ. Organizations may choose to use other methods of advertising in addition to the required electronic method.

Doesn't electronic advertising discriminate against those suppliers that do not have the right technology? How will suppliers have access to information about advertised opportunities?

More and more, the world is moving towards electronic commerce and an increasing number of suppliers have the necessary technical capabilities for this. However, organizations may choose to use other methods of advertising in addition to electronic advertising to ensure that all appropriate suppliers are aware of the opportunity.

How do electronic tendering systems work? Is there a cost?

Electronic tendering systems are web portals that enable both private and public sector buyers in Canada and the US to post their requests for goods, services and construction to suppliers. When a purchasing organization submits a competitive document, the tendering system matches it to a database of suppliers and notifies those suppliers of the opportunity via direct email or fax. Any cancellations or changes the purchasing organization makes to the posted competitive document creates additional notifications to suppliers.

Registration and posting on electronic tendering systems are free for purchasing organizations but suppliers are required to pay a subscription fee.

The PPP requires BPS organizations to advertise opportunities for 15 days — are those business days or calendar days?

Calendar days.

What if a proponent submits a question on a competitive procurement? How would additional information get out to all suppliers?

If any amendments or clarifications are made to advertised competitive documents, the changes must be posted in the same system as the original documents. All addenda to a posted competition must be posted seven days before closing for a supplier to respond. If the addendum is issued within seven days of the closing date, the date should be extended accordingly.

Are there limits on how long an organization can maintain the same source lists?

If a BPS organization chooses to use source lists for procurements over \$100,000, it must advertise the opportunity for suppliers to be put on the lists annually and a supplier that meets the conditions for registration on the list must be able to register at any time.

Do competitive procurement evaluations teams need to include a member of the organization's procurement team?

Someone from procurement should be involved in facilitating the procurement and evaluation process, to ensure the BPS organization adheres to all appropriate policies. At a minimum, there must be someone designated as the procurement lead that is accountable to the requirements of the PPP.

What should an organization do when no proponent meets the requirements of a RFP?

Once the proposals have been evaluated and deemed unsatisfactory, the evaluation team should notify all proponents that all submissions have been rejected. A general vendor debrief should then be held by the organization to explain key reasons for the decision. Organizations may wish to advise proponents on whether the RFP will be revised and/or re-released at a later date. If a bid protest is submitted by a proponent upon rejection of their proposal, then the organization must wait until the bid protest resolution process has come to a close before a new RFP is released.

To effectively protect the organization from liability, the organization should include language in their competitive documentation stating (among other rights) that it reserves the right to:

- cancel the process at any stage;
- cancel the process at any stage and issue a new RFP or RFT for the same or similar deliverables; and
- reject any or all proposals.

Note: Wherever the rights of the organization have been expressed, there should also be language to ensure that the organization shall not be held liable for any expenses, costs, losses or any direct or indirect damages incurred or suffered by any proponent or any third party resulting from the organization exercising any of its express or implied rights.

Can organizations demonstrate a preference for local suppliers?

No. In accordance with the AIT, BPS organizations may not develop evaluation criteria to favour suppliers from a particular province or city. In some cases, delivery or servicing within a certain time period is necessary in order for an organization to continue to perform a function. Requiring a supplier to deliver a good or provide service within a specified time period is a reasonable requirement.

The organization may accord a preference for Canadian value-added, provided that the preference is no greater than 10 percent. Alternatively, an organization may limit its procurement to Canadian goods or suppliers, provided the procuring organization is satisfied that there is sufficient competition among Canadian suppliers and the requirement for Canadian content is no greater than necessary to qualify the procured good as a Canadian good.

CONTRACT CONSIDERATION

Can BPS organizations receive goods or services or begin construction prior to finalizing a contract?

In situations where there exists an immediate need for goods or services and the purchasing organization and the supplier are unable to finalize a contract, a letter of intent, memorandum of understanding (MOU) or interim purchase order may be used. This will allow for the immediate needs to be met, while final negotiations take place towards finalizing the contract.

Is a purchase order considered a contract?

A standard purchase order is a document authorizing a supplier to deliver goods or services with payment to be made later. It constitutes an offer that is accepted when the supplier delivers on the order. An offered and accepted purchase order can be considered a legal contract; however, organizations are strongly encouraged to sign formal contract agreements with defined terms for any repeatable purchases.

What restrictions exist for contract lengths?

While there are no defined requirements, BPS organizations are encouraged to limit total contract durations (including extensions) to three to five years. This limit is designed to support the regular review of existing contracts in the context of changing market and organizational circumstances. The intent of limiting contract duration and initiating a review is to help organizations ensure that due diligence is paid in getting the best value for money.

Under what circumstances may contract extensions be granted?

Contract extensions should be granted only in cases where:

- ▶ The contractor agrees to the terms of the extension and the purchasing organization administering the contract recommends, based on a study of current competition and market conditions, that a contract extension would be in the best interests of the organization;
- ▶ There is a situation where urgency exists and the goods, services or construction cannot be procured through a competitive process in time to meet the needs of the organization and where a delay would cause economic hardship or significant service delivery disruption or otherwise be contrary to the interests of the organization; or
- ▶ An unforeseeable delay in a project or an uncontrollable shift in timetables requires an organization to retain the services or maintain a contract with a supplier to maintain the best interests of the organization.

In each case, a formal contract extension request should be submitted to the purchasing department 30 days before the contract expires. Requests should be accompanied by an explanation for the extension (see above) as well as confirmation that the contractor has performed in accordance with the provisions of the original contract.

NOTE: Only those contracts with extension language included as a part of the original contract's terms and conditions should be considered for extension.

Are there any dollar-value limitations to contract extensions?

While there are no defined limits, it is recommended that the cumulative dollar value for all extensions to a contract not exceed 50 per cent of the original contract value. The length of time for which a contract may be extended should not exceed the original term of the contract. The original term of a contract plus the combined length of time of all possible extensions should not exceed five years.

How are contract extensions affected when the original procurement value allowed for a direct award; however, the sum of the original contract value and contract extension value would have required a competitive procurement process?

Organizations may extend the contract without completing a new competitive process provided that the extension meets the "extension criteria" (see above question on extension circumstances) and provided that the extension does not exceed the recommended contract length or value limits (see above question on dollar limits). If the proposed extension does not meet the criteria above, then the organization should initiate a new competitive process.

It is important for all BPS organizations to avoid the appearance of conflict of interest that could arise from making a series of single source add-ons, each of which is below a given dollar threshold, but results in an a value that exceeds the competitive requirements of the PPP.

5.4.6 SAMPLE TEMPLATES – PENDING

These sample templates are provided for organizations that do not already have standard documents for each purpose defined below. Use of these templates is not mandatory; however, it is required that each In-Scope recipient have equivalent documents in place.

1. Sample Procurement Approval Authority Form including Non-Competitive Award Bypass
2. Sample Evaluator Handbook including Evaluation Matrix
3. Sample Contract Award Letter
4. Sample Award Notification Letter
5. Sample Vendor Debriefing Template
6. Sample Evaluation Team Conflict-of-Interest Declaration and Non-Disclosure Agreement Template
7. Sample General Conflict-of-Interest Declaration Template

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