



Purchasing and Procurement Policy

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Family Service Toronto's programmatic and organizational requirements demand the purchase of a broad range of supplies and services. All approved expenditures and commitments must be consistent with the FST operational plan and within approved budgets. Any significant exceptions must be formally approved by the Executive Director or the Board of Directors.

In order to comply with the *Broader Public Sector Accountability Act, 2010*, FST has adopted the Broader Public Sector Supply Chain Code of Ethics (see appendix 1).

It is expected that due diligence be done to make purchases and acquire services through an open, fair and transparent process. A contract of more than \$100,000 can only be awarded as a result of an open competitive bidding process, and any contract between \$10,000 and \$100,000 must be through an invitational competitive process. A contract of less than \$10,000 can be entered without any restrictions. The value of the procurement cannot be reduced to circumvent the competitive thresholds. The board has the authority to waive these requirements in special circumstances.

There shall be segregation of duties among the staff who orders and receives the goods or services, the person who approves the expenditure and who approves the payment. The approvals should be consistent with FST's Delegation of Signing Authority policy.

Certain types of purchases will be made centrally, notably furniture, office and information technology. All program areas and departments will respect the centralized procedures and/or utilize vendors of choice identified by the organization (e.g., for office supplies). Purchases will be managed effectively over their entire lifespan to realize maximum value for investment and to ensure accountability for moneys spent.

Programs and departments will purchase or procure non-centralized supplies and/or services for their own requirements, respecting the limitations and authorities outlined in the Delegation of Signing Authority policy.

The Director of Finance must be consulted on all proposed purchases above \$10,000 to ensure compliance with this policy. When making decisions during the procurement process, due consideration must be given to ensure FST is able to withstand any public scrutiny.



All procurements greater than \$10,000 should be planned in advance to the greatest extent possible as part of the annual planning process. It is acknowledged that unplanned requirements and funding opportunities arise during the year.

SCOPE

This policy applies to all FST staff, students and volunteers. It covers purchasing and procurement of all goods and services, including consultants and contractors, rental and lease agreements, information technology and construction.

LIMITATIONS

Authorization of any purchase and procurement must comply with the designated signing authorities set by the Board of Directors.

PROCEDURES:

All purchases above \$10,000 shall be formally approved according to FST's delegation of signing authority policy in advance of the purchase (see appendix 3).

All purchases above \$100,000 shall be accompanied by a Procurement Business Case template (see appendix 4).

A market inquiry (request for information) is recommended when the delivery, price and performance requirements are unknown before starting the competitive procurement process.

When determining the value of a procurement for approval purposes, applicable sales taxes should not be taken into consideration.

1. Competitive procurement process

Both open and invitational competitive process will involve writing up the organizational requirements for potential vendors to assess either through an electronic tendering system that is readily accessible by all Canadian suppliers for open competitive process, or sharing the requirements with at least three vendors for invitational competitive process.

- 1.1 FST staff can take advantage of Vendor of Record (VOR) arrangements established by Ontario Ministry of Government Services.
- 1.2 A minimum response time of 15 calendar days for procurement of \$100,000 or more must be provided to potential vendors to bid.



- 1.3 Bid submission date and closing time must be clearly stated in the request for proposal (RFP) documents. Submissions that are delivered after the closing time must be returned unopened.
- 1.4 Evaluation criteria must be reviewed and approved by an appropriate signing authority prior to commencement of competitive procurement process.
- 1.5 RFP documents must fully disclose the evaluation methodology and process to be used in assessing submissions, including the method of resolving a tie score.
- 1.6 Evaluation team members shall be responsible for reviewing and rating the compliant bids.
- 1.7 The evaluation team members must be aware of the restrictions related to utilizations and distribution of confidential and sensitive information collected through the competitive process and refrain from engaging in activities that may create or appear a conflict of interest.
- 1.8 Each evaluation team member must complete an evaluation matrix, rating each of the submissions. Records of evaluation scores must be retained for audit purposes.
- 1.9 The submission that receives the highest evaluation score and meets all mandatory requirements set out in the proposal must be declared the winning bid, pending satisfactory reference checks.
- 1.10 There must not be discrimination or preferential treatment in awarding a contract to a vendor.
- 1.11 The agreement between FST and the successful vendor must be formally defined on written contract signed by the appropriate signing authority before the provision of supplying goods or services.
- 1.12 All contracts must include appropriate cancellation or termination clauses. FST should seek legal advice on the development of such clauses.
- 1.13 All contracts over \$100,000 must be reviewed by the legal counsel.
- 1.14 The term of the agreement and any options to extend the agreement must be set out in the contract. An approval by an appropriate authority must be obtained before executing any modifications to the term of the agreement.
- 1.15 For procurements valued at \$100,000 or more, FST must post, in the same manner as the RFP documents were posted, contract award notification.
- 1.16 For procurement valued at \$100,000 or more, FST must inform all unsuccessful vendors about their entitlement to a debriefing.
- 1.17 For reporting and auditing purposes, all procurement documentation, as well as any other pertinent information must be retained in a recoverable form for a period of seven years.
- 1.18 Any conflict of interest will be managed in accordance with FST's Code of Conduct and Conflict of Interest policy.
- 1.19 In the event that an unsuccessful vendor believes that a decision by FST was not in line with the evaluation methodology and process



described in the relevant RFP documents, the vendor may in writing request FST to review the evaluation team's decision process.

1.20 For procurements valued at \$100,000 or more, a request for review can only be made by an unsuccessful vendor after it has completed a debriefing with FST.

1.21 A request for review and all ensuing reviews will be carried out in accordance with the bid dispute procedure outlined in appendix 5.

2. Non - Competitive Procurements

FST will employ a competitive procurement process to achieve optimum value for money. It is recognized, however, that special circumstances may require FST to use non-competitive procurement. Prior to commencement of non-competitive procurement, documentation to support the rationale for the non-competitive procurement must be completed and approved by an appropriate signing authority. E.g. lease renewals, IT platform, software license renewals.

FST will apply the non-application clauses under the Agreement of Internal Trade for conducting non-competitive procurement for the following activities:

- a) Procurement of goods intended for resale to the public;
- b) Contracts with a public body or a non-profit organization;
- c) Procurement of goods and services purchased on behalf of an entity that is out of scope of the Directive;
- d) Procurement from philanthropic institutions, prison labour or persons with disabilities;
- e) Procurement of any goods the inter-provincial movement of which is restricted by laws not inconsistent with the trade agreements;
- f) Procurement of goods and services that is financed primarily from donations that are subject to conditions that are inconsistent with the Directive;
- g) Procurement of goods and services related to cultural or artistic fields and computer software for educational purposes;
- h) Procurement of services that in Ontario may, by legislation or regulation, be provided only by any of the following licensed professionals: medical doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, accountants, lawyers and notaries;
- i) Procurement of services of financial analysts or the management of investments by organizations who have such functions as a primary purpose;
- j) Procurement of financial services respecting the management of financial assets and liabilities (i.e., treasury operations), including ancillary advisory and information services, whether or not delivered by a financial institution;
- k) Procurement of goods and services for use outside Canada as well as construction work done outside Canada; and



- l) Health services and social services.

3. Contract management

Procurement and resulting contracts must be managed responsibly and effectively. Payments must be made in accordance with the provisions of the contract. All invoices must contain detailed information sufficient to warrant payment. Supplier performance must be managed and documented, and any performance issues must be addressed.

4. Central purchasing

- 4.1 All centralized contracts for office supplies, equipment and building maintenance needs will be managed by Property Management Department.
 - All office supplies and furniture requirements should be requested by completing a requisition form or email as appropriate.
 - The supervisor will approve the request.
 - Approved requisition forms or emails will need to be sent to the Property Management Department.
- 4.2 Information technology purchases will be managed by the Information Technology Department.
- 4.3 All programs and departments must utilize the FST selected vendor for office supplies, furniture, equipment and IT needs. Exceptions in emergency circumstances might be permitted.

5. Cash Advances

- 5.1 The organization does not routinely provide cash advances for program or client expenses.
- 5.2 In exceptional cases, staff may request a cash advance to pay for program or client expenses.
- 5.3 A Cheque Requisition Form must be completed, describing the expense and signed by the supervisor, approving the cash disbursement.
- 5.4 After the expense is made, it should be reconciled via Travel and Expense Reimbursement Form. All original invoices should be attached with descriptions and any unspent portion of the advance should be returned to Finance Department along with the form. The supervisor's approval is required prior to the submission to Finance.



6. Cheque Requisition Forms

When there is no invoice available, a Cheque Requisition Form should be used to request a cheque. Whenever possible, supporting documentation should accompany the Cheque Requisition Form; reimbursement requests should always include receipts to prove payment was made.

- 6.1 Cheque Requisition Forms should be completed for the following:
 - financial assistance to clients over \$50.00
 - payment of membership fees to organizations (only when there is no invoice or letter)
 - increasing a petty cash float
 - payment of registration fees for conferences/workshops (please note that if the FST is making the payment directly to the conference giver, the registration form acts as an invoice).

- 6.2 Every Cheque Requisition Form must indicate whether or not HST is to be paid, the total before HST, the HST and the final total to be paid. If the HST is included in the total (as is sometimes the case for conference fees), this should be indicated on the form. This allows the maximum rebate to be claimed from the government.

- 6.3 One copy of the form should be retained in the department that originates the form and the original sent to Accounts Payable in the Finance Department.

7. Invoices

- 7.1 Invoices should be submitted to Accounts Payable soon after they are received. In some cases there are discounts available for prompt payment.

- 7.2 It is strongly recommended that original invoices be used for payment processing. Faxes or copies of invoices are to be used only in emergencies or under extenuating circumstances when originals will not be available, as the potential exists for duplicate payment when the original is later received. In addition, faxes double the amount of storage space required for the payables files. In most cases, there should be plenty of time between receiving an invoice and paying it so that faxes are unnecessary.

- 7.3 When a fax has been used for payment processing, and the original subsequently becomes available for sending to Accounts Payable as a



record, the original should be marked “FAX sent previously” so as to minimize the risk of double payment.

8. Corporate Credit Cards

8.1 Corporate credit cards will be authorized for the following staff members who agree to use the card in accordance with this policy:

- All directors, ensuring that each program or department has at least one corporate credit card for business purchases;
- Other managers and staff who require the card on a functional basis. The responsible director/manager approves the request.

8.2 **Application Process:** Once an eligible employee has obtained manager or director approval, s/he requests a corporate credit card in writing to the Director of Finance, copying the manager or director. The Director of Finance will contact the bank to obtain the credit card, with approval of the appropriate designated signing officers (i.e., depending on the amount of credit card limit). A copy of the submitted application will be kept by the Director of Finance for record retention purposes.

8.3 **Billing and Payment Flow:** The cardholder receives monthly statement for all charges directly to his/her office address. Cardholder submits the statement with receipts/return authorizations and stated business purposes for supporting the expenses to his/her supervisor for counter-signature and onward transmission to the Finance Dept. which pays the credit card company based on the approved statement.

8.4 **Joint and Several Liabilities:** With Joint and Several liabilities, FST is only responsible to pay for the annual card fee and legitimate business-related charges.

8.5 Cardholders will adhere to the following rights and responsibilities:

- Use the card only in purchases for FST business purposes, no personal purchases are allowed;
- Ensure the purchases are within the authorized budget and in the interest of FST;
- Keep receipts and return authorizations from the suppliers, receipts are important proof to support the agency’s claim for GST rebate;
- Contact and resolve disputes with the suppliers;
- Validate all purchases charged in the credit card statement;
- Code each charge with cost centre and expense account line number, and explain its business purpose;
- Sign, date and submit the statement with all receipts/return authorizations to the supervisor for approval;
- Ensures the statement is submitted to reach Accounts Payable a week before the due date;



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- Download the charge information from the corporate credit card company's website for taking the above payment steps before proceeding to a long vacation or in the circumstances that a monthly statement is not available for the cardholder to fulfill his/her responsibilities;
- Return the corporate credit card back to the supervisor for cancellation upon departure from FST.



Appendix 1:

Ontario Broader Public Sector (BPS) Supply Chain Code of Ethics

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

I. Personal Integrity and Professionalism

Individuals involved with Supply Chain 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. 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

Individuals involved with purchasing or other Supply Chain Activities must comply with this Code of Ethics and the laws of Canada and Ontario. 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.



**Appendix 2:
FSEAP Affiliate Selection Process**

The primary way of acquiring an FSEAP affiliate (who holds a master's degree or doctoral degree in counselling or clinical psychology, social work or a related mental health profession) is self-referral. Sometimes, FSEAP accepts client referrals as well. An affiliate will apply to be included in the roster of FSEAP professionals and will be selected based on said criteria. However, when there is a gap, FSEAP searches social work directories or ask network partners if they have a suitable counsellor. In areas where there is a new need because of a new contract, FSEAP seeks assistance from the College of Social Workers or the College of Psychologists. FST will apply the non- application clause under the Agreement of Internal Trade for this procurement of social services.



Appendix 3:

Purchase Approval Template

Date: _____

Procurement Project: _____

Total Contract Value: _____

Initiated by: _____

Title: _____

Department: _____

Procurement: Goods Non-Consulting Services Consulting Services

Procurement Type: Quote RFP

APPROVAL

There are funds available for this purchase Yes No

This is a good use of funds: Yes No

Sign-Off:

Name: _____

Title: _____

Signature: _____

Date: _____



Appendix 4:

Procurement Business Case Template

The business case is used to obtain management commitment and approval for investment in the procurement process. Projects or investments of any kind should always be supported by an appropriate analysis of the need or rationale for that good or service.

Procurement Project Summary

Purpose of the Procurement Project:

- Provide a strategic overview of the procurement project
- Explain if it supports ongoing operations, new project or initiative, one time requirement
- State the objectives of the procurement project
- Define the scope of the procurement project
- State the deliverables of the project and how they will be measured

Purchase Value:

- State the total contract value (value over the full contract term plus any extensions)
- State annual spend and volume profile (if not equally distributed)

Why Undertake this Procurement?

- Justify the investment in resources in pursuing this procurement (validate situation, contract expiry, performance, cost/price, technology, quality, client requirements, client feedback, new product/service, etc.)
- Describe changes in the marketplace since the business was last awarded

Current State: Provide a picture of the what is happening today

Who is the incumbent?	Name of Incumbent 1	Name of Incumbent 2
What is the Annual Contract Value		
What is the Contract Expiry date		
Any conditions in existing contracts that will impact the feasibility of conducting the procurement?		
How has the supplier performed?		



Benefits:

- Clearly outline the benefits of pursuing this procurement project
- Relate how this procurement project supports the objectives of the organization and the business needs of the departments
- Identify financial and operational process benefits

Project Timelines:

- Estimate the time required to complete the procurement project

Requirements

- Identify any resources (financial, staff, knowledge/skills) required to complete this procurement project successfully
- Identify any subject matter experts, including technical and/or clinical experts that may be required
- Identify any laws, policies, licenses or guidelines that may impact the procurement request

Stakeholder Needs

- Identify all stakeholders
- Identify the key stakeholders impacted by the procurement project
- Identify any changes (process, systems, resource, procedural) that may impact the key stakeholders

Assumptions

- Identify any assumptions being made at this time and how they will be validated

Risk Assessment

- Identify any risks associated with the project and how they can be mitigated
- Identify any risks associated with not conducting this procurement project

Recommendations

- Identify any recommendations being made at this time

Summary of Procurement Process

(Please note: For non-competitive procurement process, a Non-Competitive Approval Form will need to be completed and approved)

For the Procurement Project being proposed, please specify the following:



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1. Procurement: Goods Non-Consulting Services Consulting Services
2. Procurement Process: Competitive (Informal Invitational Open)
3. Non-Competitive (Single Sourcing Sole Sourcing Non-Application)
4. Procurement Type: Quote RFP
5. How many Suppliers will be awarded: One Supplier Multiple Suppliers
6. Does a VOR exist: Yes No
7. Is the proposed contract term the same: Yes No
8. State the contract term & estimated start date and end dates:

Procurement Business Case Completed by:	
Title:	
Department:	Organization:
Approval Signature:	Date:

Appendix 5:



Bid Dispute Procedures

The purpose of this section is to outline the bid dispute resolution process to ensure that any dispute is handled in an ethical, fair, reasonable, and timely fashion.

The following process is to be followed in any instance where an unsuccessful vendor wishes to dispute the outcome of a bid:

- I. Within 15 business days of the selection of the successful bidder, or if there is a debrief within 15 business days of the debrief, the unsuccessful vendor must file in writing its request for review with the Director responsible for the RFP. The filing must include:
 - The name and address of the unsuccessful bidder
 - Reference to the RFP process in question
 - A factual statement of the grounds upon which the request is being made, including specific reference to the manner in which the evaluation team departed from the evaluation methodology and process communicated to the potential vendors

- II. The Director will evaluate the process used by the evaluation team and will respond to the unsuccessful bidder in writing within 10 business days of his or her receipt of the written request for review. The written response will either affirm or negate the original decision.

- III. If the Director affirms the original decision, the unsuccessful vendor may, within 10 business days of receipt of the decision, request in writing a further review by the Executive Director. The Executive Director will perform a similar analysis and will respond to the unsuccessful bidder in writing within 10 business days of his or her receipt of the written request for further review. The written response will be final and will either affirm or negate the original decision.

- IV. Any review by a Director or the Executive Director will seek to determine whether the process used by the evaluation team was reasonable in the circumstances and in accordance with the evaluation method and process communicated to the potential vendors. A Director or the Executive Director may only negate an original decision if the process is determined to be unreasonable or in contravention of the evaluation method or process communicated to potential vendors or this policy.

- V. The written response of a Director or the Executive Director will set out whether set out in reasonable detail the basis upon which he or she is affirming or negating the original decision, addressing specifically the factual statement set out by the unsuccessful vendor in its written request for review to the Director.



- VI. If a Director or the Executive Director negates the original decision, the RFP process will be re-opened and all potential vendors will be invited to submit new bids.