

Policy Name and Number:	10.2 Purchasing and Procurement
Source:	Legislation; best practice
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Approved By:	Board of Directors

POLICY

Family Service Toronto's (FST) 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 and any contract between \$10,000 and \$100,000 must be through an invitational competitive process. All contracts must follow the procurement method outlined in the table. The Board has the authority to waive these requirements in special circumstances.

Type of Procurement	Amount	Procurement Method
Consulting	Less than \$121,200	Invitational competitive
	\$121,200 and higher	Open competitive
	Less than \$10,000	No restrictions
Goods and Non-Consulting	\$10,000- less than \$121,200	Invitational competitive
	\$121,200 and higher	Open competitive

The value of the procurement cannot be reduced to circumvent the competitive thresholds. The Director, Finance, must be consulted on all proposed purchases that require invitational or open competitive procurement method.

The Building Ontario Businesses Initiative (BOBI) requires FST to procure goods and services from Ontario Businesses or Canadian businesses, wherever feasible

FST must use existing VOR (vendor of record) arrangements whenever possible and appropriate, regardless of the value of the procurement (VOR arrangements could be an arrangement managed by Supply Ontario, or any other arrangement available to the organization.)

Any new contract valued at \$121,200 and higher, including any extensions, must not exceed two years. In limited and exceptional circumstances, FST may find that it is not

possible or appropriate to use a VOR arrangement or restrict a contract duration to two years. FST must complete a procurement rationale report and submit it to the funding ministry at least 45 calendar days before the procurement is released for proposals.

There shall be segregation of duties among employees who order and receive 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 supplies and information technology equipment. All program areas and departments will respect the centralized procedures and/or utilize vendors of choice identified by the organization. Purchases will be managed effectively over their entire lifespan to realize maximum value for investment and to ensure accountability for monies 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.

FST must consider accessibility criteria in their procedures where possible for buying and acquiring goods, services and facilities.

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 budget process. It is acknowledged that unplanned requirements and funding opportunities arise during the year.

FST strives to diversify its supply chain by encouraging submissions from diverse suppliers. A diverse supplier is any business or enterprise that is certified by a Supplier Certification Organization to be more than 50% owned, managed and controlled by persons belonging to an equity-seeking community.

A supplier certification organization is a non-profit organization that certifies businesses and enterprises as diverse suppliers by assessing them using established, consistent criteria. FST will recognize supplier certification organizations recognized by the City of Toronto.

The competitive procurement documents will include preferential scoring to diverse suppliers. FST may also work with supplier certification organizations to obtain a list of diverse suppliers.

The Director, Finance, will have responsibility for social procurement practices at FST.

Effective March 5, 2025, Ontario public sector organizations are restricted from buying from U.S businesses. This applies to all new procurements of goods and services (consulting and non-consulting) at any value regardless of the method of procurement – invitation, open competitive or non-competitive

A U.S. business means a supplier, manufacturer or distributor of any or distributor of any business structure (includes sole proprietorship, partnership, corporation or other business structure that:

1. Has its headquarters or main office located in the U. S.
2. Has fewer than 250 full-time employees in Canada

SCOPE

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

PROCEDURES

All purchases shall be formally approved according to Policy 2.6 Delegation of Signing Authority, in advance of the purchase (see appendix 2).

All purchases of \$121,200, and higher shall be accompanied by a Procurement Business Case template (see appendix 3).

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 procurement method, only the non-rebateable portion of applicable sales taxes will be included in the total amount.

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 Ontario businesses and businesses of Ontario's trading partners for open competitive process or sharing the requirements with at least three vendors for invitational competitive process.

- 1.1 FST personnel must take advantage of Vendor of Record (VOR) arrangements established by Supply Ontario. wherever feasible.
- 1.2 A minimum response time of 15 calendar days for procurement of \$121,200 and higher must be provided to potential vendors to bid.
- 1.3 Bid submission date and closing time must be clearly stated in the competitive procurement documents. Closing date of a competitive procurement process must be on a normal working day (Monday to Friday, excluding provincial and national holidays) Submissions that are delivered after the closing time must be returned unopened.
- 1.4 Evaluation criteria must be reviewed and approved by the appropriate signing authority prior to commencement of competitive procurement process.

- 1.5 Competitive procurement 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 a 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 of \$121,200 and higher must be reviewed by 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 making any modifications to the term of the agreement.
- 1.15 For procurements valued at \$121,200 and higher, FST must post, in the same manner as the competitive procurement documents were posted, contract award notification.
- 1.16 For procurement valued at \$121,200 and higher, 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 competitive procurement documents, the vendor may in writing request FST to review the evaluation team's decision process.
- 1.20 For procurements valued at \$121,200 and higher, 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 4.

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.

FST will apply the non-application clauses under the Canadian Free Trade Agreement 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 goods and services that is financed primarily from donations that are subject to conditions that are inconsistent with the Directive;
- f) Measures necessary to protect intellectual property, provided that the measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between parties where the same conditions prevail or are a disguised restriction on trade;
- g) Service that may, under applicable law, only be provided by licensed lawyers or notaries or the services of expert witnesses or factual witnesses used in court or legal proceedings;
- h) 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;
- i) Conducted for the specific purpose of providing international assistance, including development aid, provided that the procuring entity does not discriminate on the basis of origin or location within Canada of goods, services, or suppliers or conducted under the particular procedure or condition of an international organization, or funded by international grants, loans, or other assistance, if the procedure or condition would be inconsistent with this Chapter;
- j) Health services or social services;
- k) Acquisition or rental of land, existing buildings, or other immovable property, or the rights thereon.

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. All contracts will be forwarded to the Director, Finance.

4. Central purchasing

- 4.1 All centralized contracts for office supplies, equipment and building maintenance needs will be managed by Facilities.
- 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 Facilities
- 4.2 Information technology purchases will be managed by Information Technology.
- 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, employees 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 the 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)

- payment of registration fees for conferences/workshops (please note that if 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.

7. Invoices

Invoices should be submitted to Accounts Payable within 5 business days after they are received. Submitted invoices should be authorized for payment by respective budget holder (director or manager), meet the criteria set out by policy Delegation of Signing Authority, and should indicate the General Ledger code where the expense(s) should be recorded.

8. Corporate Credit Cards

- 8.1 Corporate credit cards will be authorized for the following personnel 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 personnel 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, they request 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 the 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 a monthly statement for all charges. Cardholder submits the statement with receipts/return authorizations and stated business purposes for supporting the expenses to their supervisor for countersignature 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 for paying 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;
 - Cash advances are admissible under extenuating circumstances, with approval of Director, Finance, where it is not feasible to request a cash advance by regular procedures or access to petty cash is not readily available

- 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 HST rebate;
- Contact and resolve disputes with the suppliers;
- Validate all purchases charged in the credit card statement;
- Code each charge with cost center 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 Accounts Payable within 10 business days from the date of the Credit Card Statement;
- 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 their responsibilities;
- Return the corporate credit card back to the supervisor for cancellation upon departure from FST or at the request of the Director of Finance in situations when the employee did not follow the rules for the credit card use.

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:

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

☐ Yes ☐ No

This is a good use of funds:

☐ Yes ☐ No

Sign-Off:

Name:

Title:

Signature:

Date:

Appendix 3:

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 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, personnel, 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:

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 4:

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:

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 their 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 in reasonable detail the basis upon which they are 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.