

POLICY AND PROCEDURE	
Policy/Procedure	Purchasing and Procurement
Original Creation Date	08/21/1996
Policy Approved by	Susan Hall (Chief Financial Officer)
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Policy Review	06/02/2022
Policy Owner	Patty Meneilley (Manager, Finance)
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Policy Statement

The purchase of goods and services by Pathways to Independence is in accordance with Generally Accepted Accounting Principles, legal requirements, ministry guidelines, and sound financial practices.

Pathways to Independence will adhere to the Ontario broader public sector (BPS) Procurement Directive issued by Management Board of Cabinet, Effective July 1, 2011. This Directive applies to all designated broader public sector organizations as provided for under section 12 of the Broader Public Sector Accountability Act, 2010.

The purpose of the Directive is to:

- Ensure that publicly funded goods and services, including construction, consulting services, and information technology, are acquired by BPS organizations through a process that is open, fair and transparent;
- Outline responsibilities of BPS organizations throughout each stage of the procurement process;
- Ensure that the procurement processes are managed consistently throughout the BPS.

The complete Directive may be found in Appendix C.

Scope

This policy applies to all employees of Pathways to Independence.

Definitions

Conflict of Interest

A conflict of interest is defined as a conflict between the employee's personal and/or business interest and his/her responsibility as an employee. This includes actual or perceived conflict.

Good and Services

All goods and/or services including construction, consulting services and information technology.

Consulting Services

The provision of expertise or strategic advice that is presented for consideration and decision making.

Information Technology

The equipment, software, services and processes used to create, store, process, communicate and manage information.

Policy

\$0 up to but not including \$100,000

A minimum of three (3) quotations is recommended for all non-consulting purchases having a value of \$10,000 or more from a qualified supplier.

This does not preclude the need for purchasing to ensure that the best end cost is obtained for purchases under \$10,000.

Where 3 quotations are not possible to obtain, the file will be supported by a document detailing the reason for not obtaining the required quotations.

It is recognized that other instances may preclude the ability to obtain quotations such as single source items, urgency of need and the like. In all such cases the file will be supported by a document detailing the reason for not obtaining quotations.

Written Quotations Request:

Quotes must be supported with a written confirmation of the quote for orders valued at \$10,000 or more. In the case of project/construction work, \$10,000 or more, shall be recorded on a Quotation Comparative Bid sheet (see Appendix A) that shall be attached to the original requisition to serve as backup documentation.

Volume purchase agreement, services, capital equipment orders and contracts require written quotations. Written quotations may also be requested whenever permanent documentation is advisable.

Purchases of Consulting Services of any Amount:

Procurement of consulting services will be obtained through an invitational/open competitive process in accordance with BPS requirements.

Purchases over \$100,000

Purchases over \$100,000 must first be approved by Pathways to Independence Board of Directors.

Purchases of this nature will be obtained through an open competitive process in accordance with the BPS Procurement Policies and Procedures (Mandatory Requirements) July 2011.

Procedure

Not Applicable

Appendices

Quotations and Comparative Bid Sheet- Appendix A

Sample Form Letter- Appendix B

Broader Public Sector Procurement Directive- Appendix C:

[https://www.doingbusiness.mgs.gov.on.ca/mbs/psb/psb.nsf/Attachments/001-BPS_Procurement_Directive/\\$FILE/BPS_Procurement_Directive.pdf](https://www.doingbusiness.mgs.gov.on.ca/mbs/psb/psb.nsf/Attachments/001-BPS_Procurement_Directive/$FILE/BPS_Procurement_Directive.pdf)

Pathways to Independence Quotations and Comparative Bid Sheet	
Location of item to be quoted on:	
Description of item to be quoted on:	
Contractor / Supplier #1 Company Name: Address: Phone Number: Contact Person: Date for site visit: Quote Amount:	Date Contacted: _____ _____ _____ _____ _____ _____
Contractor / Supplier #2 Company Name: Address: Phone Number: Contact Person: Date for site visit: Quote Amount:	Date Contacted: _____ _____ _____ _____ _____ _____
Company / Supplier #3 Company Name: Address: Phone Number: Contact Person: Date for site visit: Quote Amount:	Date Contacted: _____ _____ _____ _____ _____ _____
Successful Contractor/Supplier Date	Signature:

FORM LETTER:

Dear

On behalf of Pathways to Independence, I would like to thank you for submitting your quote for _____. I have to advise you, however that on this project your bid was not successful.

We are grateful for the time and effort you have given this matter and hope that you will be in a position to service our requirements at a future date.

Thank you.

Sincerely,

Manager of Operations

Centralizing Procurement

Broader Public Sector (BPS) Interim Measures

Effective – March 18, 2019
Updated: September 23, 2019

1. PURPOSE

The government is centralizing Ontario Public Service and broader public sector purchasing and supply chains.

The Interim Measures are a set of rules designed to support consistency in procurement-related decisions and collection of data during the transition to a centralized procurement model.

2. APPLICATION AND SCOPE

The BPS Interim Measures (Measures) apply to the following organizations¹:

- Hospitals;
- School boards;
- Universities;
- Colleges of applied arts and technology and post-secondary institutions;
- Children's aid societies; and,
- Shared Services Organizations / Group Purchasing Organizations.

For clarity, the BPS Procurement Directive continues to apply to these organizations.

In-Scope

The Measures apply to:

- New procurements of goods and services (consulting and non-consulting) valued at \$100,000¹ or higher.

Out-of-Scope

The Measures do not apply:

- Where procurement is related to constructionⁱⁱ work. This includes any consulting services that are included in the procurement of construction work.
- Where procurement is related to goods acquired solely for resale.

¹ This was previously set at \$25,000 or higher.

3. IMPLEMENTATION AND ONGOING SUPPORT

Mandatory compliance with the BPS Interim Measures is required where there is existing legislative authority for the funding ministry to provide direction to the BPS organization.

Voluntary compliance with the BPS Interim Measures is appropriate where there is no legislative authority available. In these cases, the BPS organizations are encouraged to comply voluntarily.

Funding ministries will inform the BPS organizations of the nature of the compliance (mandatory or voluntary). The ministry that maintains the primary funding relationship with the BPS organization is considered the funding ministry.

Information on the processes and support materials (including FAQs) is available on <https://www.doingbusiness.mgs.gov.on.ca/>. If there are questions on the BPS Interim Measures, contact doingbusiness@ontario.ca.

4. INTERIM MEASURES

The Measures set out requirements that support the development of a centralized procurement system. They are critical to support the identification of opportunities for collaborative purchasing while helping to ensure value for money and accountability.

4.1 Procurements

a) VOR Arrangements

BPS organizations must use existing VOR arrangements whenever possible and appropriate, regardless of the value of the procurement.

A Vendor of Record arrangement could be an Enterprise Vendor of Record arrangement managed by MGCS, or any other arrangement available to the organization.

b) Contract Term

Any new contract, including any extensions, must not exceed two years. In cases where a new contract will exceed two years, organizations may proceed with the procurement; however, they must submit a Procurement Rationale Report.

c) Operational Flexibility

In limited and exceptional circumstances, BPS organizations may find that it is not possible or appropriate to:

- Use a VOR arrangement that is available to the organization; and/or
- Restrict contract duration to two years.

In these situations, BPS organizations must complete a Procurement Rationale Report and submit it to the funding ministry at least 45 calendar days before the procurement is released to the vendor community.

Note that submission of the form does not change the authority of the organization to proceed with the procurement. For clarity, once the report is submitted, the organization can proceed with the procurement.

See Section 4.2 below for more information about reporting requirements.

4.2 Regular Reporting

BPS organizations must prepare and submit reports to the funding ministry.

Planned Procurement Report

Provide information on planned procurements for 2019 and through to the end of 2021 to the extent that this information is available.

- Submit the report to the funding ministry.

Activity Update Report

Provide information on procurement activity over the past six months, highlighting any variance from the planned procurement report; include a rationale for any variances.

- Submit every six months following the submission of the planned procurement report.
- Submit the report to the funding ministry.

Procurement Rationale Report

In the limited and exceptional circumstances as set out in the Operational Flexibility section above, BPS organizations must complete a Procurement Rationale Report and submit it to the funding ministry.

The report must be submitted at least 45 days before the procurement is released to the vendor community.

The Procurement Rationale Report can also be submitted as part of the planned procurement report or activity update report, as long as the 45-day requirement is met.

The submission of the Procurement Rationale Report does not change the authority of the organization to proceed with the procurement as planned. For clarity, once the report is submitted, the procurement can proceed.

4.3 Procurement-Related Data

Data and information is needed to help inform the design of a centralized procurement model.

When requested by the funding ministry, BPS organizations must provide procurement data and other information, including, but not limited to any current or past procurement, with spend and contract information.

ⁱ The BPS organizations covered by the BPS Interim Measures are defined in the *Broader Public Sector Accountability Act, 2010* section 1(1)

- a) every hospital
“hospital” means,
 - i. a public hospital (a hospital within the meaning of the *Public Hospitals Act*, (“hôpital public”))
 - ii. a private hospital that received public funds in the previous fiscal year of the Government of Ontario, and
 - iii. the University of Ottawa Heart Institute/Institut de cardiologie de l’Université d’Ottawa (“hôpital”)
- b) every school board (a board as defined in the *Education Act* (“conseil scolaire”))
- c) every university in Ontario and every college of applied arts and technology and post-secondary institution in Ontario whether or not affiliated with a university, the enrolments of which are counted for purposes of calculating annual operating grants and entitlements
- d) every agency designated as a children’s aid society under subsection 34 (1) of Part III of the *Child, Youth and Family Services Act, 2017*
- e) every corporation controlled by one or more designated broader public sector organizations that exists solely or primarily for the purpose of purchasing goods or services for the designated broader public sector organization or organizations.

ⁱⁱ “Construction” means construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement. (This wording is the definition in the BPS Procurement Directive)