



NEW LEAF
LIVING AND LEARNING TOGETHER INC.

| Policy: Procurement | |
|----------------------------------|--|
| Policy # FA-18 *NEW* | Version #: 2 – <i>Replaces former FA 18 – Contracts & FA 19 – Quotations & Tenders</i> |
| Effective Date: January 17, 2022 | Review Date: |

1. Policy

New Leaf Living and Learning Together Inc. (hereinafter **NEW LEAF**) hereby adopts the following policies and procedures, in compliance with the Broader Public Sector Accountability Act, (2010) (BPSAA), and the Ontario Broader Public Sector Procurement Directive (2011).

TABLE OF CONTENTS

| | |
|--|----------|
| 1. Policy | 1 |
| 2. Process for Procurement of Good and Services | 3 |
| <i>General</i> | 3 |
| <i>Approval Authority Schedule (AAS) – Goods, Non-Consulting Services and Construction</i> | 3 |
| <i>Approval Authority Schedule (AAS) – Consulting Services</i> | 4 |
| <i>Segregation of Duties</i> | 4 |
| <i>Information Gathering</i> | 5 |
| <i>Vendor of Record</i> | 5 |
| <i>Supplier Pre-Qualification</i> | 6 |
| 3. Process for Competitive Procurements | 6 |
| <i>Posting Competitive Procurement Documents</i> | 6 |
| <i>Timelines for Posting Competitive Procurements</i> | 6 |
| <i>Evaluation Criteria</i> | 6 |
| <i>Evaluation Team</i> | 6 |
| <i>Bid Receipt</i> | 7 |
| <i>Winning Bid</i> | 7 |
| <i>Supplier Debriefing</i> | 7 |
| <i>Contract Award Notification</i> | 7 |
| <i>Non-Discrimination</i> | 7 |
| <i>Non-Competitive Procurements</i> | 7 |
| <i>Contract Management</i> | 7 |
| <i>Establishing the Contract</i> | 7 |
| <i>Executing the Contract</i> | 8 |
| <i>Payments</i> | 8 |
| <i>Procurement Records Retention</i> | 8 |
| 4. Conflict of Interest | 8 |

2. Process for Procurement of Good and Services

General

NEW LEAF will conduct an open competitive procurement process where the estimated value of procurement of goods or services is \$100,000 or more, and competitively procure consulting services irrespective of value. Any exemptions will be in accordance with the applicable trade agreements.

Approval Authority Schedule (AAS) – Goods, Non-Consulting Services and Construction

NEW LEAF will use the following approval authority schedule (AAS) for Goods and Non-Consulting Services. This schedule identifies the authorities that are allowed to approve procurements for different dollar thresholds.

| Goods, Non-Consulting Services and Construction | | |
|--|--|---|
| Total Procurement Value | Means of Procurement | Approval Authority |
| \$0 to \$500 | Petty Cash Debit / Credit Card | Manager |
| \$501 to \$10,000 | Purchase Order | Director of Finance/Department Director |
| \$10,001 to \$40,000 | Purchase Order Invitational Competitive if Capital or renovations | Director of Finance/Executive Director |
| \$40,001 to \$100,000 | Invitational Competitive | As per the procurement process Executive Director for final approval |
| \$100,001 or more | Open Competitive | Board of Directors |

Approval Authority Schedule (AAS) – Consulting Services

NEW LEAF will use the following approval authority schedule (AAS) for Consulting Services.

| Consulting Services | | |
|---------------------------------------|--------------------------------------|---|
| Total Procurement Value | Means of Procurement | Approval Authority |
| \$0 up to but not including \$100,000 | Open and/or Invitational Competitive | As per the procurement process Executive Director for final approval |
| \$100,001 or more | Open Competitive | Board of Directors |

Segregation of Duties

NEW LEAF will segregate at minimum three of the five functional procurement roles. Responsibilities for these roles must lie with different departments or personnel. Where it is not possible to segregate these roles, adequate compensating controls approved by an external auditor must be in place. The overall value of procurement will not be reduced by dividing a single procurement into multiple steps in order to circumvent the approval requirements.

| Goods, Non-Consulting Service and Construction | | | | | |
|---|---------------------|-----------------------|---------------------|----------------------------|---|
| Type | Value | Requisition | Budgeting | Commitment | Payment |
| Supplies/IT Goods | \$0 - \$500 | All Staff | Director of Finance | Administrator | Accounts Payable |
| Supplies/IT Goods | \$501 - \$25,000 | Manager | Director of Finance | Program Director | Accounts Payable Authorization from Director of Finance |
| Supplies/IT Goods | \$25,001 - \$99,999 | Manager Director | Director of Finance | Executive Director | Accounts Payable Authorization from Executive Director |
| Training | Any Value | Supervisor Manager | Director of Finance | Program/ HR Director | Accounts Payable |

Segregation of Duties ...Continued

| Construction and Renovation | | | | | |
|-----------------------------|--------------------|---------------------|-----------------------------|---------------------|--|
| Value | Requisition | Budgeting | Commitment | Receipt | Payment |
| \$0 - \$99,999 | Manager | Director of Finance | Executive /Finance Director | Department Director | Accounts Payable Authorization from Director of Finance |
| \$100,000 or more | Director | Director of Finance | Board of Directors | Executive Director | Accounts Payable Authorization from Board of Directors |
| Consulting Services | | | | | |
| Value | Requisition | Budgeting | Commitment | Receipt | Payment |
| \$0 - \$99,999 | Manager | Director of Finance | Executive Director | Director | Accounts Payable Authorization from Director of Finance |
| \$100,000 or more | Executive Director | Director of Finance | Board of Directors | Executive Director | Accounts Payable Authorization from Board of Directors |

Information Gathering

Where results of informal supplier or product research are insufficient, **NEW LEAF** will use formal processes such as a Request for Information (*RFI*) or Request for Expression of Interest (*RFEI*) if warranted, taking into consideration the time and effort required to conduct them.

A response to RFI or RFEI will not be used to pre-qualify a potential supplier and will not influence the chances of the participating suppliers from becoming the successful proponent in any subsequent opportunity.

Vendor of Record

When **NEW LEAF** obtains the name of a supplier from the Ministry Vendors on Record it will be assumed that the processes of obtaining supplier information has been done by the Ministry and absolves **NEW LEAF** from researching the supplier.

Supplier Pre-Qualification

When possible, **NEW LEAF** will use a Request for Supplier Qualification (*RFSQ*) to gather information about supplier capabilities and qualifications in order to pre-qualify suppliers for an immediate product or service need or to identify qualified candidates in advance of expected future competitions.

Terms and conditions of the *RFSQ* document will contain language that disclaims any obligation of the Organization to call on any supplier to provide goods or services as a result of pre-qualification.

3. Process for Competitive Procurements

Posting Competitive Procurement Documents

For open competitive procurements, **NEW LEAF** will use an electronic tendering system that is readily accessible by all Canadian suppliers.

Timelines for Posting Competitive Procurements

NEW LEAF will provide suppliers a minimum response time of 15 calendar days for procurement of goods and services valued at \$100,000 or more.

NEW LEAF will consider providing suppliers a minimum response time of 30 calendar days for procurements of high complexity, risk, and/or dollar value.

Evaluation Criteria

To ensure fairness within our competitive procurement process **NEW LEAF** will develop, review and approve the evaluation criteria at the Director level prior to commencement of the competitive procurement process. Each piece of the evaluation criteria will also be fairly weighted prior to and clearly documented in the competitive procurement documents. The documents will also fully disclose the methodology and process to assessing submissions, including the process to resolve tie scores.

Mandatory criteria will be kept to a minimum to ensure that no bid is unnecessarily disqualified.

All criteria must comply with the section entitled Non-Discrimination. Alternate strategies or solutions will not be considered unless they are requested in the competitive procurement process.

Evaluation Team

The evaluation team for competitive bids up to \$100,000 will consist of the company Directors. A Manager or Supervisor who is familiar with the required service may be invited to join the team during evaluations that are unfamiliar to the Directors. For bids over \$100,000 the team will consist of the Executive Director and representation of the Board of Directors. Team members must be aware of the confidentiality of this process and will not engage in activities that will create or appear to create a conflict of interest. Team members must sign a non-disclosure of confidential information agreement as well as a conflict of interest declaration.

A team member cannot participate in the evaluation process if a supplier is a family member, a personal friend or if they profit or are seen to profit from the purchasing of the goods or service. They must declare a conflict of interest and withdraw from the evaluation team during the evaluation that puts them in conflict. A substitute team member must be found.

New Leaf: Living and Learning Together Inc.

Each evaluation team member must complete an evaluation matrix, rating each of the submissions. Records of evaluation scores must be retained for audit purposes.

Evaluators must ensure that everything they say or write about submissions is fair, factual, and fully defensible.

Bid Receipt

Bid submission date and closing time will be clearly stated in competitive procurement documents. **NEW LEAF** will set the closing date of a competitive procurement process 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.

Winning Bid

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

Supplier Debriefing

For procurements valued at \$100,000 or more, **NEW LEAF** will inform all unsuccessful suppliers about their entitlement to a debriefing. **NEW LEAF** will allow unsuccessful suppliers 60 calendar days following the date of the contract award notification to request a debriefing.

Contract Award Notification

For procurements valued at \$100,000 or more, **NEW LEAF** will post, in the same manner as the procurement documents were posted, contract award notification. The notification must be posted after the agreement between the successful supplier and **NEW LEAF** was executed. Contract award notification will list the name of the successful supplier, agreement start and end dates, and any extension options.

Non-Discrimination

NEW LEAF will not discriminate or exercise preferential treatment in awarding a contract to a supplier as a result of a competitive procurement process.

Non-Competitive Procurements

It is a mandatory requirement of the Broader Public Sector (BPS) Procurement Directive and **NEW LEAF**'s Purchasing Policy that it is to acquire goods or services through a competitive procurement process. However, it is recognized that in exceptional circumstances, only one supplier may be able or capable of providing the goods or services. In these circumstances the Single Source/Sole Source Certification form, appropriately signed, must accompany the requisition and be forwarded to the Director of Finance prior to the commencement of procurement and receipt of goods or services. (*See Single Source/Sole Source Certification form attached*).

Contract Management

Establishing the Contract

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

documents.

In circumstances where an alternative procurement strategy has been used (*i.e., a form of agreement was not released with the procurement document*), the agreement between **NEW LEAF** and the successful supplier must be defined formally in a signed written contract before the provision of supplying goods or services commences.

All contracts should have an appropriate termination or cancellation clause agreed upon by both parties.

Should the contract require modification at a later date the Executive Director must approve the modification for contracts under \$100,000. Contracts over \$100,000 can only be modified by the Board of Directors. Should the price/cost change them the evaluation team is required to review and ensure it does not warrant a new competitive process.

Executing the Contract

The agreement between **NEW LEAF** and the successful supplier will be formally defined in a signed written contract before the provision of supplying goods or services commences.

Where an immediate need exists for goods or services, and **NEW LEAF** and the supplier are unable to finalize the contract as described above, an interim purchase order may be used. The justification of such decision must be documented and approved by the appropriate authority (*see Approval Authority Schedule*).

Payments

Payments will be made in accordance with provisions of the contract. All invoices must contain detailed information sufficient to warrant payment. Any overpayments must be recovered in a timely manner.

Assignments will be properly documented. Supplier performance will be managed and documented, and any performance issues will be addressed.

Each contract will include a dispute resolution process, establish clear terms of reference for the assignment, expense claim and reimbursement rules. **NEW LEAF** will ensure that expenses are claimed and reimbursed only where the contract explicitly provides for reimbursement of expenses.

Procurement Records Retention

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.

4. Conflict of Interest

NEW LEAF will monitor any conflict of interest that may arise as a result of the Members' of the Organization, advisors', external consultants', or suppliers' involvement with the Supply Chain Activities. Individuals involved with the Supply Chain Activities must declare actual or potential conflicts of interest. Where a conflict of interest arises, it will be evaluated, and an appropriate mitigating action will be taken.