



## POLICIES AND PROCEDURES

<b>TITLE:</b> Procurement Policy	<b>POLICY NUMBER:</b> A-2-60
<b>APPROVED BY:</b> Board of Directors	
<b>DEVELOPED BY:</b> CEO	<b>DATE:</b> October 2002 (O)
<b>REVISED BY:</b> CEO	June 2005 (R), August 2006 (R), July 2008 (R), January 2010 (R), January 2012 (R), November 2012 (R), May 2013 (R), April 2014 (R), June 2014 (R), January 18, 2018 (R), March, 2023 (R)

### POLICY:

Cota will ensure that all goods and services procured using public funds are done so in an open, fair and transparent manner consistent with the Ontario Broader Public Sector Accountability Act (BPSAA).

### SCOPE:

- All procurement activity using public funds (e.g., transfer payments or grants received from a municipal, provincial or federal government source)
- Cota employees involved with ordering goods and services (hereby referred to as staff)

### PRINCIPLES:

Cota's procurement practices for publicly funded goods and services will adhere to the following principles:

1. **Accountability:** Cota will be accountable for the results of its procurement decisions and the appropriateness of the processes.
2. **Transparency:** Cota's procurement practices will be transparent to all stakeholders. Wherever possible, stakeholders must have equal access to information on procurement opportunities, processes and results.
3. **Value for Money:** Cota will maximize the value it receives from the use of public funds. A value-for-money approach aims to deliver goods and services at the optimum total life- cycle cost.

4. **Quality Service Delivery:** Cota's front-line services will receive the right product, at the right time and in the right place.
5. **Process Standardization:** Cota's procurement processes, when using public funds, will be standardized in compliance with the Ontario's BPSAA Procurement Directive and will remove inefficiencies and create a level playing field.
6. **Safety:** Cota's procurement processes will assess goods and services for existing or potential hazards and implement appropriate controls to reduce or eliminate hazards.

#### **DEFINITIONS:**

- a) **Goods and Services** means any goods, construction and services, including but not limited to IT and consulting services
- b) **Supply Chain Activities:** All activities directly or indirectly related to Cota's planning, sourcing, procurement, moving and payment processes.
- c) **Taxes:** When determining the values as outlined in this policy, the amount is the value before applicable sales taxes.

#### **PROCEDURES:**

##### **1) Supply Chain Code of Ethics (SCCE)**

Cota's Board of Directors has approved a Supply Chain Code of Ethics (SCCE) which supplements Cota's Code of Ethics with principles specifically applicable to supply chain activities. It has three (s) main principles as follows:

- a) **Personal Integrity and Professionalism:** Individuals 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. Individuals participating in Cota's supply chain activities must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favors, providing preferential treatment, or publicly endorsing suppliers or products.
- b) **Accountability and Transparency:** Supply Chain Activities must be accountable and transparent. In particular, all contracting and purchasing activities using public funds must be fair, transparent and conducted with a view to obtaining the best value for money. All participants must ensure that public sector resources are used in a responsible, efficient and effective manner.

- c) **Compliance and Accountability:** Individuals involved in Supply Chain Activities must comply with this Supply Chain Code of Ethics, any other related Cota policy 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.

The SCCE is binding on all individuals involved in Cota’s supply chain activities and will be posted on Cota’s public website.

**2) Segregation of Duties**

In proceeding with any procurement activity, Cota management will ensure the segregation of at least three of the following five procurement roles:

- Requisition
- Budgeting
- Commitment
- Receipt
- Payment

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.

**3) Cota Approval Authority Schedule (AAS) for Goods and Non-Consulting Services**

Cota’s Board of Directors has approved and adopted the Cota Approval Authority Schedule listed as Appendix 1 to this policy. Any procurement of goods and/or non-consulting services using public funds follow AAS for Goods and Non-Consulting Services.

**4) Procurement Approval Authority Schedule for Consulting Services**

Prior to commencement, any procurement of consulting services must be approved in accordance with the following *Approval Authority Schedule (AAS) for Consulting Services*:

<b>Procurement AAS for Consulting Services</b>		
<b>Procurement Method</b>	<b>Procurement Value</b>	<b>Approval Authority</b>
Invitational Competitive	\$0 up to but not including \$100,000	<i>Cota AAS for Goods and Non- Consulting Services (See Appendix 1)</i>
Open Competitive	Any value above \$100,000	<i>Cota AAS for Goods and Non-Consulting Services (See Appendix 1)</i>

*Non-Competitive	\$0 up to but not including \$1,000,000	Chief Executive Officer by Sole Source Waiver
	\$1,000,000 or more	Board of Directors by Sole Source Waiver

*\*Exemption-based only*

The overall value of procurement (e.g., dividing a single procurement into multiple procurements) in order to circumvent the approval requirements of the Organizational AAS

## 5) Competitive Procurement Thresholds

Cota will conduct an open competitive procurement process where the estimated value of procurement of goods or services is \$100,000 or more, except as it may relate to the contracting of direct care services for people with developmental disabilities, on behalf of the Ministry of Community and Social Services (MCCSS) (e.g., through Cota’s MCCSS funded TAY program). Any other exemptions must be in accordance with the applicable trade agreements.

Cota will competitively procure consulting services irrespective of value. Any exemptions must be in accordance with the applicable trade agreements.

The following table outlines whether or not a competitive procurement process is recommended or required, according to the value and means of procurement:

<b>A/ For Goods and Non-Consulting Services (including Construction)</b>		
<b>Total Procurement Value</b>	<b>Means of Procurement</b>	<b>Competitive Process Recommended or Required?</b>
\$0 up to but not including \$100	Petty cash	Recommended
\$100 up to but not including \$3,000	Cota Procurement Card <i>(aka Cota Credit Card)</i>	Recommended
\$3,000 up to but not including \$10,000	Purchase order	Recommended
\$10,000 up to but not including \$100,000	Invitational competitive procurement <i>(minimum of three suppliers are invited to submit a bid)</i>	Required
\$100,000 or more	Open competitive process	Required

<b>B/ For Consulting Services</b>		
<b>Total Procurement Value</b>	<b>Means of Procurement</b>	<b>Competitive Process Recommended or Required?</b>
\$0 up to but not including \$100,000	Invitational or open competitive process	Required
\$100,000 or more	Open competitive process	Required

Staff must not reduce the overall value of procurement (e.g., dividing a single procurement into multiple procurements) in order to circumvent competitive procurement thresholds.

## **6) Information Gathering**

Where results of informal supplier or product research are insufficient, Cota 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 Cota 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 Cota from researching the supplier.

## **7) Supplier Pre-Qualification**

When necessary, Cota may 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

## **8) Posting Competitive Procurement Documents**

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

## **9) Timelines for Posting Competitive Procurements**

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

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

#### **10) Bid Receipt**

Bid submission date and closing time and accepted method(s) of submission, will be clearly stated in competitive procurement documents. Cota 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.

#### **11) Evaluation Criteria**

Evaluation criteria will be developed at the Senior Management Team level and be reviewed and approved by the Chief Executive Officer (or designated member of the Executive Leadership Team) prior to the commencement of each competitive procurement process.

The competitive procurement documents must clearly outline mandatory, rated and other criteria that will be used to evaluate submissions, including weight of each criterion.

Mandatory criteria (e.g., technical standards) will be kept to a minimum to ensure that no bid is unnecessarily disqualified.

Maximum justifiable weighting will be allocated to the price/cost component of the evaluation.

All criteria must comply with the Non-Discrimination section of this policy.

Evaluation criteria are to be altered only by means of an addendum to the competitive procurement documents.

Cota may request that suppliers provide alternative strategies or solutions as part of their submissions. These should not be considered unless Cota established criteria to evaluate these alternative prior to the initiation of the competitive procurement process and explicitly requested them.

#### **12) Evaluation Process Disclosure**

The competitive procurement documents will fully disclose the methodology and process to assessing submissions, including the process to resolve tie scores.

Competitive procurement documents must state that submissions that do not meet the mandatory criteria will be disqualified.

#### **13) Evaluation Team**

A bid Evaluation Team will be identified in advance of the initiation of each competitive bidding process, for the purpose of reviewing and rating the compliant bids. Evaluation Team members will be made aware of the confidentiality of the process and will not be permitted to engage in activities that would create or appear to create a conflict of interest. Individuals cannot participate on the Evaluation Team 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. In such instances, a substitute team member must be found.

Evaluation Team members must sign a non-disclosure of confidential information agreement as well as a conflict of interest declaration.

#### **14)Evaluation Mix**

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.

The Evaluation Team will consider evaluate product safety and will consider safety tom our staff and clients as a key element in choosing products or services. Documentation will include information on potential or actual hazards and the controls needed to eliminate or reduce the hazards. If there are controls required such as communication, training and safe operating procedures, these will be documented and the Joint Health and Safety Committee (JHSC) will be consulted.

#### **15)Winning Bid**

The submission that receives the highest evaluation score, meets all mandatory requirements set out in the competitive procurement document must be declared the winning bid.

#### **16)Non-Discrimination**

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

#### **17)Executing the Contract**

The agreement between Cota 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 Cota 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 approval authority in Appendix 1.

#### **18)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 Cota and the successful supplier must be defined formally in a signed written contract before the provision of supplying goods or services commences.

#### **19)Termination Clauses**

All contracts must have an appropriate termination or cancellation clause agreed upon by both parties. When dealing with large or complex procurements, Cota may elect to

insert contract clauses that permit cancellation or termination at critical project life-cycle stages.

In all instances, Cota will seek legal advice on contracts and the respective termination clauses within.

## **20)Term of Agreement Modifications**

The term of the agreement and any options to extend the agreement must be set out in the competitive procurement documents. An approval, by the appropriate authority, as listed in Appendix 1, must be obtained before executing any modifications to the term of the agreement.

Should the price/cost change them the Evaluation Team is required to review and ensure it does not warrant a new competitive process. In most instances, extending the term of the agreement beyond that set out in the competitive procurement document should not be considered, as it would likely amount to non-competitive procurement where the extension affects the value and/or stated deliverables of procurement.

## **21)Contract Award Notification**

For procurements valued at \$100,000 or more, Cota will post a contract award notification, in the same manner as the procurement documents were posted.

The notification must be posted after the agreement between the successful supplier and Cota has been executed. Contract award notification will list the name of the successful supplier, agreement start and end dates, and any extension options.

## **22)Supplier Debriefing**

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

## **23)Non-Competitive Procurements**

Cota is committed to achieving optimum value for money when using public funds to procure goods and services.

In some exceptional circumstances Cota may utilize an exemption, exception or non-application clause under the Agreement on Internal Trade (AIT) or other trade agreement where one exists.

In other exceptional circumstances, Cota may elect to use other sources of funding that are not public funds (e.g., reserves, donations, etc.) and engage in a non-competitive process to address urgent time sensitive pressures. Even in these limited instances, Cota will strive to secure a timely product or service offering excellent quality at a fair price. Wherever possible, such decisions will be made based on previous positive experience with suitable suppliers and/or contractors.



## **24)Contract Management**

Procurements and resulting contracts will be managed responsibly and effectively. 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.

Cota will ensure that expenses are claimed and reimbursed only where the contract explicitly provides for reimbursement of expenses, and in accordance with the Broader Public Sector Expense Directive.

## **25)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. Procedures for handling, storing and marinating suppliers' confidential and commercially sensitive information must be reflected in Cota's privacy related policies.

## **26)Conflict of interest**

Cota 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.

## **27)Bid Dispute Resolution**

Competitive procurement documents released by Cota must outline bid dispute resolution procedures to ensure that any dispute is handled in an ethical, fair, reasonable and timely fashion. Bid dispute resolution procedures must comply with bid protest or dispute resolution procedures set out in the applicable trade agreements.

### **ROLES AND RESPONSIBILITIES:**

#### **Employees:**

- Obtain approval to procure items or incur expenditures as required by policy, including:
  - Completing purchase orders or cheque requisition forms
  - Obtaining appropriate approval
  - Ensuring that items procured meet safety standards at all phases, including product specification, construction and

- installation phases
- Participate in any training involving new or modified equipment or processes as required
- Maintain competency in safe operating procedures

**Managers and Other Approved Authorizers:**

- Approve purchase orders and other requests to procure items or incur expenditures as outlined in all relevant policies
- Confirm delivery of items purchased, ensuring items meet the required safety standards
- Provide documentation to Finance to facilitate payment and recording of expenditures in the accounting records
- Ensure that appropriate documentation of potential or existing hazards and accompanying controls is provided to Director, Finance and Administration and the JHSC

**JHSC:**

- Monitor the development, implementation and relevance of safe operating procedures for identified hazards
- Monitor the communication, training and availability of equipment to address identified safety hazards
- Inform the Senior Manager , Compliance, Quality & Risk Management of concerns regarding safe, efficient and hazard-free equipment, items or processes
- Participate in pre-start up inspections of new or modified equipment or processes

**Director, Finance and Administration:**

- Develop and maintain procurement and purchase authorization policies in accordance with funder, legislative and best-practice requirements. This includes periodically reviewing and updating the authorization limits.
- Obtain appropriate policy approvals
- Coordinate competitive bidding processes or assign coordination to a designate, ensuring compliance with relevant Cota policies
- Address breaches of the procurement policy
- Select or approve vendors
- Ensure vendors adhere to service contract requirements
- Ensure that training and protective equipment are provided and that safe operating procedures are developed for identified safety hazards
- Inform and consult with the JHSC regarding any products requiring safety controls, when products are being considered for purchase
- In consultation with the JHSC, ensure that for all identified safety hazards, training, protective equipment and safe operating procedures are developed, implemented and communicated to affected parties.

**Corporate Services:**

- Procure all capital furniture, fixtures, equipment and software purchases

- usually procured by Facilities or IM/IT Departments. Corporate Services should be allowed at least 10 (ten) business days to complete procurement. Shorter timelines may mean that procurement cannot be completed by the date required.
- Corporate Services will administer the tendering or procurement process and select vendors based on objective criteria as noted under “general Requirements, #8” above
  - The Facilities Coordinator, Manager IM/IT, or other individual designated by the Director, Finance and Administration will ensure that all procurement activities undertaken by the department comply with all Cota’s procurement and other relevant policies, including ensuring that items meet Energy Star, CSA and other safety ratings or requirements as applicable.

# APPENDIX 1

## COTA Health (Cota) Approval Authority Schedule

<b>A/ Authorization to Contractually Bind the Organization</b>	
<p>A contract or agreement, which creates an obligation to purchase or supply goods or services, whether for money, other consideration or without consideration, including, but not limited to contracts, agreements, licenses, permits, and legal and financial transactions, should:</p> <ul style="list-style-type: none"> <li>• include a clause that outlines the time and notice requirements to end the contract early,</li> <li>• and should avoid automatic renewal without specific notice.</li> </ul> <p>Approved signers should not sign any contract or agreement, where signing places or appears to place the individual in a conflict of interest.</p> <p>All original contracts must be forwarded to the Executive Assistant for filing. A copy of the contract may be kept in a permanent departmental electronic or paper file, for ease of reference.</p>	
Type of Agreement	Authorized Signers
Non-monetary  - <i>Memorandum of Understanding</i>	Chief Executive Officer or designate  <i>Note: If more than one signature is absolutely required by the external party, then authorized signatures would include any two of the CEO, Board Chair, Vice Chair or Treasurer</i>
Monetary (Non-TAY/Specialized Care) up to \$249,999 per item/year  <i>Examples may include:</i> <ul style="list-style-type: none"> <li>• <i>Office Leases</i></li> <li>• <i>Memorandums of Settlement</i></li> <li>• <i>Rental Agreements</i></li> <li>• <i>Approved One-Time Purchases</i></li> </ul>	Chief Executive Officer or designate
Monetary Non-TAY/Specialized Care of \$300,000 to \$1,999,999	Chief Executive Officer
Monetary Non-TAY/Specialized Care of \$2,000,000 or more	Chief Executive Officer and Board Chair (or Vice-Chair or Treasurer in the absence of the Chair)
Monetary - MCCSS Funded TAY and Specialized care Contracts and/or Special Needs Requests – any value	Chief Executive Officer (or Director of Finance and Administration in the absence of the CEO)

**B/ Approval Authority for Procurement of Goods and Non-Consulting Service (including Construction)**

**Authorized Signers for Purchase Orders, Cheque Requisitions, Expense Claims, Credit Card Statements and Invoices**

Only a Manager, Director, the Executive Director, Board Chair, Vice-Chair or Treasurer may approve a purchase order, expense claim, credit card statement or invoice. Approval must be as outlined in the organization's policies, particularly those around procurement, expense claims and corporate credit cards.

The limits are as follows:

<b>Requisition Source/Claimant</b>	<b>Minimum Position of Approver</b>	<b>Approval Limits</b>
Non-management	Managers	Maximum of \$5,000
Supervisors	Managers	Maximum of \$5,000
Managers	Directors	Maximum of \$80,000
Directors/Senior Directors	Chief Executive Officer or designate	Maximum of \$999,999
Board Members	Chief Executive Officer	Maximum of \$100,000
Chief Executive Officer	Board Chair or Designate	Maximum of \$999,999
Chief Executive Officer	Executive Committee (Board)	Beyond \$999,999

**C/ Approval Authority for Competitive Procurement of Consulting Service**

<b>Requisition Source/Claimant</b>	<b>Minimum Position of Approver</b>	<b>Approval Limits</b>
Supervisor/Manager/Director	Chief Executive Officer	\$0- \$999,999
Chief Executive Officer	Board Chair or Designate	Maximum of \$999,999
Chief Executive Officer	Executive Committee (Board)	Beyond \$999,999

**D/ Authorized Signing Officers for Cheques and EFT Payments**

Authorized signers for cheques or EFTs are the:

- Board Chair
- Vice-Chair or Treasurer (in the Board Chair’s absence)
- Chief Executive Officer
- Senior Director, Clinical Operations & Quality Improvement
- Director, Finance and Administration
- Director, People & Culture

Any two of the above may sign cheques or approve EFT payments, but with the following limits:

Limits	Signing Requirements
Up to \$500,000	<ul style="list-style-type: none"><li>• Any two may sign</li></ul>
\$500,001 to \$2,000,000	<ul style="list-style-type: none"><li>• Chief Executive Officer and one other</li></ul>
\$2,000,001 or more	<ul style="list-style-type: none"><li>• Chief Executive Officer plus the Board Chair (Vice Chair or Treasurer in the absence of the Board Chair)</li></ul>

**E/ Authorized Payroll Approvers**

Cost Centre managers approve payroll for individuals and the Payroll Coordinator or Financial Analyst verifies and processes payroll. Any signing officer can approve net payroll, up to \$450,000.

**F/ Authorized Payment Releasers**

Only the following may release cheques or EFTs, provided that rules regarding approvals and segregation of duties are followed within the Financial department:

- Director, Finance and Administration
- Accounting Manager

