PROCUREMENT POLICY

Policy #: 003

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1. PURPOSE

The purpose of this Procurement Policy is to establish a clear, transparent, and accountable framework for the acquisition of goods and services by the Bereavement Authority of Ontario (BAO). This policy ensures procurement activities are conducted in a fair, open, and competitive manner, delivering best value while maintaining public trust and alignment with Ontario Public Sector (OPS) procurement directives and applicable trade agreements.

2. SCOPE

This policy applies to all employees, management, and authorized representatives (including Board of Directors) of BAO involved in the procurement of goods and services, including consulting, professional services, technology, and capital expenditures.

3. DEFINITIONS

For the purposes of this policy:

- **All Local Laws Governing Labour and Working Conditions**: Applicable local, regional, and national laws and standards related to employment, labour, and workplace safety in the jurisdiction where goods are produced.
- **Agreement**: The formal written or electronic document executed at the conclusion of a procurement process.
- **Apparel**: Clothing items, including uniforms, outerwear, footwear, and personal attire.
- **Consulting Services**: Advisory or expertise-based services provided to support decision-making.

- **Contract**: The complete set of binding documents, including the agreement, procurement documents, proposal, and any amendments.
- **Follow-On Agreement**: An agreement that extends or relates to an existing or previously completed contract.
- **Goods and Services**: All goods, construction, and services, including information technology and consulting services.
- **Local Food**: Food or beverages grown, produced, or primarily made in Ontario using a majority of locally sourced ingredients.
- **Procurement**: The acquisition of goods or services through purchase, lease, rental, or other arrangements where value is exchanged.
- **Procurement Value**: The total cost and overall value associated with a procurement.
- **Procurement Value Increase**: Any increase in total procurement value after initial approval.
- **Request for Proposal (RFP)**: A procurement document used to solicit solutions for complex goods or services, evaluated based on predefined criteria beyond price.
- **Supplier/Vendor**: An individual or organization capable of delivering goods or services based on financial, technical, and operational capacity.
- **Strategic Supplier/Vendor**: A vendor providing critical, often long-term services that are not easily replaceable.
- **Vendor of Record (VOR) Arrangement**: A pre-qualified vendor arrangement with established terms, conditions, and pricing for a defined period.
- **Written**: Information documented in either electronic or hardcopy format.

4. LEGISLATIVE AND POLICY FRAMEWORK

Procurement at BAO shall align with: - Ontario Public Sector Procurement Directive - Broader Public Sector Accountability Act (BPSAA), where applicable - Applicable trade agreements (e.g., CFTA, CETA) - BAO internal governance and financial policies

Where conflicts arise, the stricter requirement shall apply.

5. GUIDING PRINCIPLES

All procurement activities shall be guided by the following principles:

5.1 Accountability
Procurement decisions must be supported by clear authority, proper documentation, and effective oversight through established structures, policies, and procedures.

5.2 Transparency
All procurement processes shall be open, auditable, and conducted with honesty and integrity, in alignment with the BAO's Employee Code of Conduct. Employees must not use their position or work time for personal purchasing activities.

5.3 Fairness
Procurement processes shall provide equal access and unbiased evaluation for all qualified vendors. Activities will be conducted in a fair and transparent manner, with geographically neutral access where reciprocal non-discrimination agreements apply.

5.4 Value for Money
Procurement decisions shall consider total lifecycle costs and be executed in accordance with sound financial stewardship and fiscal responsibility.

5.5 Quality Service Delivery
Goods and services procured must meet operational requirements and support environmentally sustainable practices where possible.

5.6 Compliance
All procurement activities must adhere to applicable laws, regulations, and Ontario Public Sector directives, and be based on clearly defined business needs and appropriate procurement methods.

5.7 Ethical Conduct
Procurement must be conducted with integrity and free from conflicts of interest. Any real or perceived conflicts must be disclosed in advance. Ongoing reliance on specific vendors should be avoided or periodically reviewed.

5.8 Diversity and Accessibility
Procurement practices shall support diversity and inclusion and comply with the Accessibility for Ontarians with Disabilities Act, 2005 (AODA) and its applicable standards.

6. ROLES AND RESPONSIBILITIES

6.1 Board of Directors

- Approves the Procurement Policy and material changes
- Provides oversight on procurement risk and compliance

6.2 Chief Executive Officer (CEO)

- Accountable for overall compliance with BAO & OPS procurement directives
- Approves high-value and strategic procurements

6.3 Chief Financial Officer (CFO)

- Ensures policy alignment with BAO & OPS requirements

- Establishes procedures, controls, and reporting mechanisms
- Reviews exceptions and sole-source justifications

6.4 Management / Budget Owners

- Define procurement needs and specifications
- Ensure budget availability and alignment with business objectives
- Participate in evaluation and contract oversight

7. MANDATORY REQUIREMENTS (RFP PROCESS)

All procurement activities must be conducted and documented in accordance with the following requirements:

7.1 Planning

Procurement planning is mandatory and sufficient time must be allocated to develop a **Business Case** that:

- Clearly defines the goods or services required, including any viable alternatives;
- Justifies the business need;
- Estimates the total procurement value; and
- Identifies the appropriate procurement method and approval authority based on value and category (see Appendix A).

The Business Case must be reviewed and approved by the appropriate authority prior to initiating procurement.

Unbudgeted or unforeseen procurement requirements must be escalated to the CEO at the earliest opportunity. Where required under the Delegation of Authority Policy, such expenditures must be approved by the Board of Directors.

The BAO may enter into multi-year agreements. As a general guideline:

- Contracts should be reviewed at least every three (3) years;
- The standard maximum contract review period is five (5) years; and
- Ongoing vendor engagements must not exceed six (6) years without a competitive procurement process.

Exceptions due to extenuating circumstances require a documented Business Case and approval from the appropriate Board Committee and the Board of Directors.

The BAO may also consider Vendors of Record (VOR) arrangements, including government-negotiated agreements. While use of a VOR is not mandatory, where utilized, the BAO must comply with all applicable terms and consult the relevant VOR user guidelines.

7.2 Procurement Value Increases

All procurement documents and agreements must define the conditions under which price increases may occur, including:

- Frequency of increases;
- Maximum allowable increases; and
- Applicable benchmarks or indices.

Where the total procurement value increases, prior approval must be obtained in accordance with Appendix A before proceeding. The procurement method must be reassessed to ensure alignment with the revised value.

Value increases may arise due to factors such as scope changes, market fluctuations, contractual amendments, project delays, or other unforeseen circumstances.

7.3 Procurement Document

A standardized procurement document (e.g., Request for Proposal) must be used and include, at minimum:

- A clear and functional description of the required goods or services;
- Contact details for procurement-related inquiries;
- Submission instructions, including deadline, format, and submission method;
- A detailed description of the evaluation methodology, including mandatory criteria, rated criteria, and pricing;
- A vendor declaration confirming that no improper benefit has been offered to BAO personnel;
- Conflict of interest provisions, including:
    - Definition of conflict of interest;
    - Mandatory disclosure of actual or potential conflicts;
    - BAO's right to determine, manage, or disqualify based on conflicts; and
    - Rights to terminate where conflicts are undisclosed or unresolved;
- A defined framework for allowable price increases;

- Documentation requirements for any non-competitive procurement; and
- Requirements for maintaining complete procurement records, including contracts, supporting documentation, and invoices, under the custody of the Chief Financial Officer or designate.

7.4 Submission

Vendors must be provided with sufficient time to prepare responsive submissions. As a general standard, a minimum of fifteen (15) calendar days must be allowed.

Where necessary, submission deadlines may be extended to ensure fair competition.

Any amendments, clarifications, or addenda must be communicated to all prospective bidders in a timely manner to allow for appropriate response adjustments.

7.5 Evaluation

All submissions must be evaluated in a fair, consistent, and transparent manner, in accordance with the criteria outlined in the procurement document.

The evaluation process must include:

1. Mandatory requirements (pass/fail);
2. Rated criteria; and
3. Price/cost evaluation (conducted after technical evaluation).

Alternative proposals or conditions submitted by vendors must not be considered unless explicitly permitted in the procurement documents.

Where feasible, evaluation methodologies should be disclosed in advance. Any disputes must be handled in a fair, transparent, and consistent manner.

7.6 Commitment

Following evaluation, the highest-ranked compliant submission must be selected.

All contracts, agreements, or purchase commitments must be executed by an individual with the appropriate delegated authority.

The final agreement must clearly define the terms governing any allowable price increases, including frequency, limits, and applicable benchmarks.

8. OTHER RELATED PROCUREMENTS

8.1 **Ethical Apparel Procurement Requirements**

For all apparel procurements in excess of $5,000, the BAO requires that vendors provide Responsible Manufacturers Information (RMI), including the name and address of all factories and production facilities used in the manufacture and assembly of the product, prior to signing the agreement.

When submitting the RMI, the vendor will also confirm that, to the best of their knowledge, the manufacturer and any subcontractors for the item(s) offered comply with all local laws governing labour and working conditions and will continue to do so throughout the duration of any resulting contract(s).

8.2 **Local Food**

The BAO will consider local food for its meetings and events as available. This requirement does not apply to food procurement undertaken using a VOR arrangement or employee meals while travelling.

9. PROCUREMENT THRESHOLDS AND METHODS

Threshold (CAD)	Method	Requirements
Up to $10,000	Direct Purchase	At least 1 quote
$10,001 – $50,000	Invitational Competitive	Minimum 3 written quotes
$50,001 – $121,200*	Open Competitive	Formal RFQ/RFP, documented evaluation
Above $121,200*	Open Competitive	Public posting (e.g., Ontario Tenders Portal - Bravo), formal RFP

*Thresholds reflect trade agreement requirements and may be updated periodically.

10. COMPETITIVE PROCUREMENT REQUIREMENTS (OPS-ALIGNED)

All open competitive procurements must: - Be publicly advertised where required - Use clear, non-restrictive specifications - Include predefined evaluation criteria and weighting - Be evaluated by a minimum of two qualified evaluators - Ensure separation of duties between requisition, evaluation, and approval - Maintain a full audit trail of decisions

11. NON-COMPETITIVE PROCUREMENT (SOLE SOURCE)

Permitted only under OPS-allowed exceptions, including: - Emergency or urgent situations - Only one viable supplier (monopoly or unique capability) - Compatibility or continuity with existing goods/services

Requirements: - Written justification referencing applicable exception - Approval per Delegation of Authority Matrix - CFO review for all procurements above $10,000

12. ETHICAL STANDARDS AND CONFLICT OF INTEREST

All individuals involved in procurement must: - Declare real or perceived conflicts of interest - Not accept gifts, favours, or incentives from vendors - Maintain confidentiality of all procurement information

13. VENDOR MANAGEMENT

- Vendors shall be selected based on objective criteria
- Performance evaluations should be conducted for significant contracts
- Vendor disputes must be documented and managed consistently

14. CONTRACT MANAGEMENT

- Written contracts required for procurements above $10,000
- Contracts must include scope, deliverables, timelines, pricing, and termination clauses
- Legal or designated review required for high-risk agreements

15. RECORD RETENTION

Procurement records must be retained in accordance with BAO policies and OPS requirements, including: - Procurement documents (RFQ/RFP) - Vendor submissions - Evaluation records - Approvals and contracts

16. COMPLIANCE, MONITORING, AND REPORTING

- Periodic internal reviews conducted by Finance
- Exceptions must be documented and reported

- Significant procurements reported to the Board as appropriate

17. DELEGATION OF AUTHORITY MATRIX

For Consulting Services:

Procurement Value (CAD)	Approval Authority	Additional Requirements
Up to $10,000	Manager / Budget Owner	Within approved budget
$10,001 – $20,000	Director / Department Head	Competitive quotes required
$20,001 – $40,000	CFO	Formal procurement process
$40,001 – $50,000	CEO	CFO review required
Above $50,000	CEO + Board (or Committee)	Board oversight and reporting

For Goods & Non-Consulting Services:

Procurement Value (CAD)	Approval Authority	Additional Requirements
Up to $10,000	Manager / Budget Owner	Within approved budget
$10,001 – $20,000	Director / Department Head	Competitive quotes required
$20,001 – $50,000	CFO	Formal procurement process
$50,001 – $100,000	CEO	CFO review required
Above $100,000	CEO + Board (or Committee)	Board oversight and reporting

Notes: - All sole-source procurements above $10,000 require CFO approval regardless of value. - Commitments must not be artificially split to avoid approval thresholds. - Finance must confirm budget availability prior to approval.

18. POLICY REVIEW

This policy shall be reviewed every two (2) years or earlier if required to reflect updates to OPS directives or organizational changes.

Effective Date: April 1, 2026

Approved By: Board of Directors, Bereavement Authority of Ontario

Next Review Date: April 1, 2028