

Procurement Policy

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1.0 Purpose and Scope:

This Policy supports the Bereavement Authority of Ontario's (BAO) acquisition of goods and services to meet its needs in the most economical and efficient manner, through processes and procedures that are fair, open, transparent, consistent, geographically neutral, and accessible to qualified vendors.

The Policy applies to all BAO personnel involved in the purchase and acquisition of goods and services.

2.0 Definitions:

For the purposes of this policy, the following definitions apply:

"All Local Laws Governing Labour and Working Conditions" means local, regional, and national laws, by-laws, regulations and employment and safety standards that apply in the location of manufacture and assembly of goods.

"Agreement" means the formal document (written or electronic) that will be entered into at the end of the procurement process.

"Apparel" means clothing, including personal attire, uniforms, outerwear, and footwear.

"Consulting Services" means the provision of expertise or strategic advice that is presented for consideration and decision-making.

"Contract" means the aggregate of (a) form of agreement, including any schedules; (b) procurement document, including any addenda; (c) proposal; and (d) any amendments executed in accordance with the terms of the contract.

"Follow-On Agreement" means an agreement that follows and is related to an already completed agreement.

"Goods and Services" means any goods, construction, and services, including but not limited to information technology and consulting services.

“Local Food” means a) food grown, produced, or harvested in Ontario, including foraged forest or freshwater food, and b) food and beverages made in Ontario if they include a majority of ingredients by percentage produced or harvested in Ontario.

“Procurement” means any contractual or commercial arrangement involving the acquisition of a good or service through purchase, rental, lease, or conditional sale, or where a value or benefit has been conferred by the BAO to a successful vendor in exchange for good(s) or service(s) or revenue to the BAO.

“Procurement Value” means all costs and conferred value associated with a contractual relationship with a third party.

“Procurement Value Increase” means that the costs and conferred value associated with a procurement initiative have increased after the procurement approval.

“Request for Proposal” (RFP) – means a procurement document that requests vendors to supply solutions for the delivery of complex products or services or to provide alternative options or solutions. The RFP process uses predefined evaluation criteria for which price is not the only factor.

“Supplier/Vendor” means any person or organization that, based on an assessment of that person’s or organization’s financial, technical, and commercial capacity is capable of fulfilling the requirements of procurement.

“Strategic Supplier/Vendor” means any supplier/vendor that provides mission critical services to the BAO, whose services are not readily replaceable and whose service agreements typically span three consecutive years or more.

“Vendor of Record (VOR) Arrangement” means a procurement arrangement that authorizes one or more qualified vendors to provide goods or services for a defined time period on terms and conditions, including pricing, as set out in the particular VOR agreement.

“Written” means a document or information in either electronic or hardcopy format.

3.0 Principles:

- Access for qualified vendors to compete for business shall be open. The procurement process shall be conducted in a fair and transparent manner, providing equal treatment to all vendors. Access shall be geographically neutral with respect to other jurisdictions that practice reciprocal non-discrimination with Ontario.
- The procurement of goods and services shall be responsibly and effectively managed through appropriate organizational structures, systems, policies, processes, and procedures.
- All procurement processes executed by the BAO will be done within the highest standards of fiscal responsibility.
- Conflict of interest, both real and perceived, shall be avoided during the procurement process and ensuing contract. Any real or perceived conflict of interest shall be declared prior to engaging in any procurement activity to the Board Chair. Relationships that create a

perpetual reliance on a particular vendor for any particular kind of work should be avoided, or, if necessary, reviewed on a regular basis.

- All purchases made on behalf of the BAO will be carried out honestly and with integrity in keeping with the BAO's Employee Code of Conduct. The BAO employees shall not use their official capacity or company time to negotiate or conduct personal purchases for themselves or others.
- Goods and services shall be procured only after consideration of business requirements, alternatives, timing, and adherence to all documented procurement methods.
- In conducting its purchasing practices, the BAO will have regard for an environmentally sustainable operation.
- The BAO will consider and/or look for opportunities to support its commitment towards diversity in all its business processes.
- In conducting its purchasing activities, the BAO must comply with the Accessibility for Ontarians with Disabilities Act, 2005 (AODA) and the standards mandated by it through enacted regulation.

4.0 Approval Framework:

- All procurement transactions will be supported by appropriate methods and approvals (see Appendix A).
- Each procurement transaction will be conducted pursuant to the mandatory process. All required documentation will be developed and maintained for verification and audit purposes.
- To determine the procurement value, the BAO must consider all costs and benefits associated with entering into a contractual relationship with a third party.
- Costs and benefits may include, but are not limited to:
 - Price/cost of the goods and/or services;
 - One-time costs such as site preparation, delivery, installation, and documentation;
 - Ongoing operating costs including training, accommodation, support, and maintenance;
 - Sale taxes and applicable duties;
 - Disposition costs;
 - Premiums, fees, commissions, and interest;
 - Options to renew;
 - Direct payments by the BAO to the successful vendor(s);
 - Indirect payments by third parties to the successful vendor(s); and,
 - Any conferred value by the BAO to the successful vendor(s).
- Approvals and processes are based on total procurement values. Disaggregating (breaking out) a procurement or transaction to reduce or alter values or approvals is prohibited. This may include subdividing projects, procurements, or contracts and awarding multiple consecutive contracts to the same vendor.
- The award of multiple consecutive contracts to the same vendor may only be made where each assignment is unique or where prior approval of a follow-on agreement has been

received.

- When determining the appropriate approval authority required for a procurement, the procurement value does not include applicable sales taxes.
- Examples of conferred value include, but are not limited to, the exchange of goods and/or services, revenue generating opportunities and partnership agreements with non-profit organizations.
- Where a project involves multiple related procurements, the project's procurement value would be determined by the cumulative value of all related procurements.

5.0 Mandatory Requirements:

Each procurement transaction must be conducted and documented pursuant to the following process:

a) Planning

This is an integral part of the procurement and sufficient time must be provided to develop a Business Case which:

- Describes the type of goods or services to be procured, and any possible alternatives;
- Justifies the need for the good or service;
- Estimates the total procurement value ; and
- Identifies the appropriate procurement methodology and approval authority based on the type of service being procured and the value (see Appendix A).

The Business Case will be reviewed and approved by the person with the authority required to approve the procurement. When an unforeseen situation arises that has not been budgeted for, the CEO should be advised as soon as possible. Any unforeseen expenses will be presented to the Board of Directors for approval aligning with the Delegation of Authority policy.

The BAO may enter into multi-year contracts with vendors. Generally, the timeframe for reviewing contracts is three years. There are vendors where a long-term strategic partnership would be beneficial to the BAO. This includes but is not limited to audit and legal services. Additionally, there may be opportunities to take advantage of government negotiated agreements with Vendors of Record (VOR), where negotiated agreements exceed three years. The BAO is not required to use a VOR but may consider providers on the list in the procurement process. Should the BAO choose to use a VOR, the BAO must comply with the terms of use and must refer to the VOR User Guides prior to coordinating VOR arrangements.

Recognizing that there may be instances where it is beneficial to have longer contracts, the maximum timeframe for review shall not exceed five years. Ongoing vendor arrangements must not exceed a maximum of six years without a competitive process. If extenuating

circumstances arise, a business case must be presented to the appropriate Board Committee followed by approval from the Board of Directors.

b) Procurement Value Increases

The procurement documents, including the agreement, must identify the framework under which price increases will be permitted, including but not limited to the frequency of price increases; the allowable amount of increase; and any benchmarks that will be used to confirm the price increase.

In the event of a procurement cost increase, approval must be sought from the appropriate authority (see Appendix A), based on the increased procurement value, prior to proceeding with or continuing the procurement. The procurement method must reflect the increased procurement value. Reasons for procurement value increases may include price increases (e.g., increases in the cost of commodities such as fuel and food), changes in scope of work, added contractual terms, project delays, or other unforeseen circumstances.

c) Procurement Document

A template document (i.e., Request for Proposal) must be developed and used to procure the goods and/or services. At minimum, this document will include:

- A description of the needed goods or services in functional terms specific to the business needs that the good or service will serve;
- The name, email, and location of the person to contact for additional information on the procurement documents;
- The email address, date, and time limit for submitting a written proposal which responds to the documented procurement requirements; and,
- Detailed information about the evaluation process that will be used to assess the written proposal (i.e., mandatory requirements, rated requirements, price / cost).
- A declaration that the vendor has not given, directly or indirectly, a benefit of any kind to anyone employed by the BAO.
- Conflict of interest provisions that include:
 - A definition of conflict of interest that includes situations that could give the vendor an unfair advantage during the procurement process;
 - The right of the BAO to solely determine whether any situation constitutes a conflict of interest;
 - A requirement that prospective vendors participating in a procurement process declare any actual or potential conflict of interest;
 - The right of the BAO to disqualify prospective vendors from a procurement process due to a conflict of interest;
 - A requirement that the vendor to disclose any actual or potential conflict of interest arising during the execution of the contract;
 - The BAO's right to prescribe the manner in which a vendor should resolve a conflict of interest;

- The BAO's right to terminate a contract where a vendor fails to disclose a conflict of interest;
- A provision for termination of a contract where a conflict of interest cannot be resolved;
- Identification of a framework that permits price increases, including but not limited to: the frequency of price increases, the allowable amount of an increase and any benchmarks that will be used to confirm the price increase;
- A requirement for documented justification for any non-competitive procurement; and
- Creation of a centralized resource for all purchases and contracts for consulting or professional services, including the original quote information, supporting documentation, contracts, and invoices maintained by the Chief Financial Officer or designate.

d) Submission

Sufficient time must be provided for vendors to prepare and submit bid responses. At minimum, fifteen (15) calendar days should be provided. The submission deadline may be extended to ensure sufficient time is provided to bidders.

Any additional information, clarification or modification of the procurement document will be provided via an amendment or addendum to all bidders and will be released in sufficient time prior to the submission deadline to allow bidders sufficient time to submit a responsive bid.

e) Evaluation

Evaluation of bid responses from vendors must be consistent and in accordance with documented evaluation criteria, rating and methodology as detailed in the procurement document.

The evaluation process should be comprised of three components: mandatory requirements, rated requirements and price / cost. The evaluation of price/cost should be undertaken after the completion of the evaluation of the mandatory requirements and any other rated criteria.

In responding to procurement documents, vendors may sometimes propose alternative strategies or solutions to the business needs or apply conditions to their responses. Unless expressly requested in the procurement documents, alternative strategies or solutions proposed by a vendor must not be considered.

If possible, the process used to assess submissions will be disclosed to vendors, and any bid dispute will be managed in a fair, transparent, and consistent manner.

f) Commitment

Following the evaluation process, the highest ranked submission should be selected, and the agreement, order, or contract which will commit the BAO should be signed by the individual with the authority to approve the procurement. The agreement, order or contract must identify the framework to be used under which price increases may be permitted including, but not limited to, the frequency of price increases, the allowable amount of increase and any benchmarks that will be used to confirm.

6.0 Protection of Personal and Sensitive Information:

Prior to undertaking any procurement of goods and/or services that may result in the release of personal or sensitive information, the BAO must conduct a risk assessment that includes a privacy impact assessment, and a threat assessment. Any information that is to be released must comply with applicable privacy legislation and policies.

7.0 Other Related Procurements:

a) 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).

b) 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.

Appendix A: Mandatory Procurement Methods and Required Approvals

The method used to procure goods and services depends on the type of service being procured, and the value of the procurement:

- 1. Invitational Competitive Procurement:** A method of inviting at least (3) vendors to respond electronically to a request for supply of goods and services based on stated delivery requirements, performance specifications, terms, and conditions.
- 2. Open Competitive Procurement:** A method of inviting vendors registered on BravoSolution¹

or a similar platform to respond to posted procurement documents for the supply of goods and services based on stated delivery requirements, performance specifications and terms and conditions.

3. **Non-Competitive Procurement:** A method used in situations where there is only one available source², an unforeseeable urgent situation, or for matters where the disclosure could reasonably be expected to compromise confidentiality or public security / order or cause economic disruptions. This method is also acceptable when there is an absence of bids in response to a competitive procurement process conducted in accordance with this policy. The rationale for the use of this method and the steps that will be taken to avoid any further non- competitive transactions must be justified in the Business Case.

Consulting Services

| Value (excluding taxes) | Procurement Method | Approver |
|--------------------------|--------------------|--------------------|
| Up to \$50,000 | Invitational, Open | CEO |
| \$50,000 up to \$121,200 | Invitational, Open | Board of Directors |
| \$121,200 or more | Open | Board of Directors |

Goods and Non-Consulting Services

| Value (excluding taxes) | Procurement Method | Approver |
|-------------------------|---------------------------------------|--------------------|
| Up to \$100,000 | Invitational, Open or Non-Competitive | CEO |
| \$100,000 or more | Open or Non-Competitive | Board of Directors |

¹ <https://xe.bravosolution.com/login.jsp>

² Ensures compatibility with existing products procured in accordance with this policy; for specialized products where there are exclusive rights (licenses / patents / copyright); or when the supply is controlled by a statutory monopoly.