

**SUBJECT: 12.1 OVERVIEW AND DEFINITIONS****Policy**

Sensity is committed to complying with the *Broader Public Sector Procurement Directive*. Through compliance with the directive, Sensity will employ consistent procurement practices and ensure that goods and services are acquired through processes that are open, fair and transparent; create accountability through each stage of the process; certify the value received for the money spent; and receive the right product, at the right time, and in the right place.

**Purpose**

To commit funds prudently in accordance with legislative requirements while obtaining maximum value for expenditures.

**Scope**

This policy applies to all Board of Director members of Sensity, Directors, Managers, Supervisors and Administrative Staff.

**Definitions**

*Procurement* – the process of purchasing, renting, leasing or otherwise acquiring any goods or services.

*Goods and Services* – Any merchandise purchased is a good and any purchase of knowledge, expertise or supply is a service and includes information technology.

*Contract* – An agreement between two or more parties for the doing or not doing of something specific that is enforceable by law and for the purpose of the policy, a written document.

*Consultant* – A person or company that provides expert or strategic advice for consideration and decision-making.

*Value of Goods & Services* – Value equals the price before sales tax.

*Supply Chain Activities* are all processes directly or indirectly related to budgeting, sourcing, purchasing, receiving and the accounting of goods and services.

*Quality Service Delivery* – Sensity will do its utmost to receive the right product, at the right time and in the right place.

*Buying Groups* – Collaborative purchasing is coordinated buying on behalf of multiple organizations to generate savings and efficiencies that benefit the members of the group.

*Perquisites* – A privilege that is provided to an individual or group that provides a personal benefit that is not generally available to others.

*Approved Vendor* – A supplier, who in the course of business, has demonstrated value for dollar, experience and superior quality of workmanship. Approved vendors can also be suppliers that express an interest for an opportunity and provide quality references.

*Vendor of Record (VOR)* – Suppliers pre-qualified by the Province of Ontario.

*Purchase Order* – A document sent to a vendor which describes the goods or services being purchased and specifies price, quantities, delivery dates, shipping instructions and other relevant details.

*Petty Cash* – A cash system used for the purchase of small, inexpensive miscellaneous operating expenditures where it is not practical to use other purchasing methods.

### **Principles Embodied**

*Accountability* – Sensity is accountable for the results of its procurement decisions and the appropriateness of the processes.

*Transparency* – Sensity must be transparent to all stakeholders. Wherever possible, stakeholders shall have equal access to information on procurement opportunities, process and results.

*Value for Money* – Sensity will maximize the value received from the use of public funds, A value-for-money approach will aim to deliver goods and services at the optimum total lifecycle cost.

*Quality Service Delivery* – Sensity must receive the right product, at the right time, in the right place.

*Process Standardization* – Standardized processes remove inefficiencies and create a level playing field.

SUBJECT: 12.2 SUPPLY CHAIN CODE OF ETHICS

### **Policy**

Sensity is committed to complying with the *Broader Public Sector Procurement Directive*. Through compliance with the directive, Sensity will employ consistent procurement practices and ensure that goods and services are acquired through processes that are open, fair and transparent; create accountability through each stage of the process; certify the value received for the money spent; and receive the right product, at the right time, and in the right place.

### **Purpose**

To ensure an ethical, professional and accountable supply chain.

### **Scope**

This policy applies to all Board of Director members of Sensity, Directors, Managers, Supervisors and Administrative Staff.

**Definition** *Supply Chain Activities* are all processes directly or indirectly related to budgeting, sourcing, purchasing, receiving and the accounting of goods and services.

### **Procedures**

#### **I. Personal Integrity and Professionalism**

Individuals involved with supply chain activities 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 Broader Public Sector (BPS) organizations, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. Participants must not engage in any activity that may create, or

appear to create, a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products.

## II. Accountability and Transparency

Supply chain activities must be open and accountable. In particular, contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for public money. All participants must ensure that public sector resources are used in a responsible, efficient and effective manner.

## III. Compliance and Continuous Improvement

Individuals involved with purchasing or other supply chain activities must comply with this Code of Ethics and the laws of Canada and Ontario. These individuals should continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share best practices within the organization.

Approved by the Board of Directors: \_\_\_\_\_

SUBJECT: 12.3 SEGREGATION OF DUTIES – APPROVAL AUTHORITY LEVELS

### Policy

Sensity is committed to complying with the *Broader Public Sector Procurement Directive*. Through compliance with the Directive, SENSITY Ontario will employ consistent procurement practices and ensure that goods and services are acquired through processes that are open, fair and transparent; create accountability through each stage of the process; certify the value received for the money spent; and receive the right product, at the right time, in the right place

### Purpose

To segregate at least three of the five functional procurement roles: Requisition, Budgeting, Commitment, Receipt and Payment.

### Scope

This policy applies to all Board of Director members of Sensity, Directors, Managers, Supervisors and Administrative Staff.

### Definition

*Segregation of Duties* means that for any purchase the various responsibilities (requisition, approval, receipt and payment) will be delegated to different people to assure that an open, fair and transparent process is adhered to.

### Procedures

1. The person requesting the product or service fulfills the functional role of “Requisition”. A “Purchase Requisition” form will be submitted to the program manager or Director. For items over \$500 in value, three quotes shall be attached along with the requisitioner’s recommendation for the preferred vendor, supported with reasons.
2. The departmental budget holder or Finance Department is responsible to authorize that funding is available to cover the cost of the order. This authorization will be indicated by signoff on the Purchase Requisition form.
3. The Director of the Department is responsible to provide notification of approval by returning the signed, approved Purchase Requisition form to the “Requisitioner”.
4. The person receiving the goods shall verify that order is physically received, complete and correct and will provide notification to accounting of same including the authorized Purchase Requisition form.
5. Payment will be processed by the accounts payable department upon receipt of invoice, verification of receipt and the authorized Purchase Requisition Form.

**Attachments:**

Purchase Requisition Form

SUBJECT: 12.3.1 SEGREGATION OF DUTIES – ROLES AND RESPONSIBILITIES

**Policy**

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**Purpose**

To segregate at least three of the five functional procurement roles: Requisition, Budgeting, Commitment, Receipt and Payment.

**Scope**

This policy applies to all Board of Director members of Sensity, Directors, Managers, Supervisors and Administrative Staff.

**Definition**

*Segregation of Duties* means that for any purchase the various responsibilities (requisition, approval, receipt and payment) will be delegated to different people to ensure that an open, fair and transparent process is adhered to.

**Segregation of Duties**

Functional Role	Responsibility	Accountable Party
Requisition	Authorize the procurement department to plan an order	Employee requesting the product or service
Budgeting	Authorize that funding is available to cover the cost of the order	Departmental budget holder/Finance Department
Commitment	Authorize release of the order to the supplier under agreed contract terms	Director of Department
Receipt	Authorize that the order was physically received, correct and complete	Individual receiving the goods
Payment	Authorize release of payment to supplier	Accounts payable role within the finance team

SUBJECT: 12.3.2 APPROVAL AUTHORITY SCHEDULE

**Policy**

Sensity is committed to complying with the *Broader Public Sector Procurement Directive*. Through compliance with the Directive, Sensity will employ consistent procurement practices and ensure that goods and services are acquired through processes that are open, fair and transparent; create accountability through each stage of the process; certify the value received for the money spent; and receive the right product, at the right time, in the right place

**Purpose**

To establish an approval authority schedule (AAS) for procurement of goods and non-consulting services.

**Scope**

This policy applies to all Board of Director members of Sensity, Directors, Managers, Supervisors and Administrative Staff.

**Definitions**

*Consultant* - a person or entity that under an agreement, other than an employment agreement, provides expert or strategic advice and related services for consideration and decision-making.

*Non-Consulting Service Provider* - an individual/company who contracts to provide services, other than consulting services, to another individual or business.

*Invitational Competitive Procurement* - any form of requesting a minimum of (3) qualified suppliers to submit a written proposal in response to the defined requirements outlined by Sensity

*Open Competitive Procurement* - the process advertising available supply opportunities to qualified Canadian suppliers through a readily accessible electronic tendering system.

*Non-Competitive* - a request of a specific vendor for a quotation regarding goods or services where there is only one vendor able to meet the requirements.

### Procedures

1. While referencing the Segregation Duties and responsibilities with respect to purchases, the attached Approval Authority Schedule (AAS) shall determine the required authorization level for amount of purchases of a “non-consulting” nature.
2. For Consulting Services, the approval of the Executive Director must be received for any purchase.

### **Attachment** – Approval Authority Schedule

SUBJECT: 12.4 MEANS OF PROCUREMENT

### Policy

Sensity is committed to complying with the *Broader Public Sector Procurement Directive*. Through compliance with the Directive, Sensity will employ consistent procurement practices and ensure that goods and services are acquired through processes that are open, fair and transparent; create accountability through each stage of the process; certify the value received for the money spent; and receive the right product, at the right time, in the right place

### Purpose

To establish a competitive procurement process irrespective of value.

### Scope

This policy applies to all Board of Director members of Sensity, Directors, Managers, Supervisors and Administrative Staff.

### Definition

*Consultant* - a person or entity that under an agreement, other than an employment agreement, provides expert or strategic advice and related services for consideration and decision-making.

*Non-Consulting Service Provider* - an individual/company who contracts to provide services, other than consulting services, to another individual or business.

*Invitational Competitive* - a request from specific vendors for quotations regarding goods or services.

*Open Competitive* - a request from any vendor for quotations regarding goods or services.

*Non-Competitive* - a request of a specific vendor for a quotation regarding goods or services where there is only one vendor able to meet the requirements.

### Procedures

1. For purchases up to but not including \$100, petty cash may be used to make the purchase. The manager must approve all such transactions by signing off on the petty cash voucher slip prior to the disbursement of cash.
2. For purchases of \$100 up to but not including \$3,000 should employ the Purchase Requisition Form referenced in the “Segregation of Duties” Section

12.2(1). Quotes from three vendors must be attached for all purchases in excess of \$500. This type of purchase may be paid by credit card but all necessary approvals remain the same in the Approval Authority Schedule.

3. For items to be purchased worth \$3,000 up to but not including \$10,000 a purchase order is recommended. Purchases of this value require the approval of the Executive Director.
4. For purchases of goods and non-consulting services and Construction valued at \$10,000 up to but not including \$100,000 shall be subject to an invitational competitive process.
5. For purchases of goods and non-consulting services and Construction valued at \$100,000 or more shall be subject to an open competitive process.

Goods and Non-Consulting Services and Construction	
Total Procurement Value	Means of Procurement
\$0 up to but not including \$100	Petty Cash
\$100 up to but not including \$3,000	Purchase Requisition Form or Company Credit Card
\$3,000 up to but not including \$10,000	Purchase Order
\$10,000 up to but not including \$100,000	Invitational competitive
\$100,000 or more	Open Competitive

Consulting Services	
Total Procurement Value	Means of Procurement
\$0 up to but not including \$100,000	Invitational/open competitive
\$100,000 or more	Open competitive

SUBJECT: 12.4.1 MEANS OF PROCUREMENT

### Policy

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### Purpose

To establish a competitive procurement process irrespective of value.

### Scope

This policy applies to all Board of Director members of Sensity, Directors, Managers, Supervisors and Administrative Staff.

### Definition

*Consultant* - a person or entity that under an agreement, other than an employment agreement, provides expert or strategic advice and related services for consideration and decision-making.

*Non-Consulting Service Provider* - an individual/company who contracts to provide services, other than consulting services, to another individual or business.

*Invitational Competitive* - a request from specific vendors for quotations regarding goods or services.

*Open Competitive* - a request from any vendor for quotations regarding goods or services.

*Non-Competitive* - a request of a specific vendor for a quotation regarding goods or services where there is only one vendor able to meet the requirements.

### Procedures

1. Information Gathering – the Request for Information (RFI) or Request for Expression of Interest (REFEI) policies are to be followed for the purposes of gathering of information
2. Request for Supplier Qualification (RFSQ) to provide information about the supplier's capabilities and qualifications as a means of pre-qualification of a supplier for an immediate product or service need.
3. Posting of Competitive Procurement Documents made through an electronic tendering system that is readily accessible by all Canadian suppliers.
4. A minimum of 15 calendar days shall be allowed as response time for goods and services valued at \$100,000 or 30 days for highly complex procurements.

SUBJECT: 12.5 COMPETITIVE PROCUREMENT

### Policy

Sensity is committed to complying with the *Broader Public Sector Procurement Directive*. Through compliance with the Directive, Sensity will employ consistent procurement practices and ensure that goods and services are acquired through processes that are open, fair and transparent; create accountability through each stage of the process; certify the value received for the money spent; and receive the right product, at the right time, in the right place

### Purpose

To establish a competitive procurement process to be used in accordance with the Means of Procurement thresholds.

### Scope

This policy applies to all Board of Director members of Sensity, Directors, managers, Supervisors and Administrative Staff.

**Definition**

*Competitive Procurement* – a set of procedures for developing a procurement contract through a bidding or proposal process with the intent to solicit fair, impartial, competitive bids.

**Procedures**

1. Where the results of an informal supplier or product research are insufficient, formal processes such as the Request for Information (RFI) or Request for Expression of Interest (REFEI) may be used to gather information if warranted. A response to an RFI or REFEI must not be used to pre-qualify a potential supplier and must not influence the chances of the participating suppliers from becoming the successful proponent in any subsequent procurement opportunity.
2. A Request for Supplier Qualification (RFSQ) may be conducted 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. The terms and conditions of the RFSQ document must contain language that disclaims any obligation of Sensity to call on any supplier to provide goods or services as a result of the pre-qualification. This process can be used to develop a Vendor of Record list.
3. Calls for open competitive procurements must be made through an electronic tendering system that is readily accessible by all Canadian suppliers.
4. A minimum of 15 calendar days shall be allowed as response time for goods and services valued at \$100,000. This shall be increased to 30 calendar days for procurements of high complexity, risk, and/or dollar value.

SUBJECT: 12.6 EVALUATION

**Policy**

Sensity is committed to complying with the *Broader Public Sector Procurement Directive*. Through compliance with the Directive, Sensity will employ consistent procurement practices and ensure that goods and services are acquired through processes that are open, fair and transparent; create accountability through each stage of the process; certify the value received for the money spent; and receive the right product, at the right time, in the right place

**Purpose**

To establish an open, fair and transparent evaluation of bids submitted.

**Scope**

This policy applies to all Board of Director members of Sensity, Directors, managers, Supervisors and Administrative Staff.

**Procedures**

1. Bid submission dates and closing times must be clearly stated in the competitive procurement documents. Sensity will set the closing date of a competitive procurement process on a normal working day (Monday-Friday, excluding statutory holidays). Submissions delivered after the closing time must be returned to the supplier unopened.
2. Evaluation criteria will be developed, reviewed and approved by an appropriate authority prior to commencement of the competitive procurement process. The criteria shall clearly outline mandatory, rated and other criteria that will be used to evaluate submissions including the weighting of each criterion. Mandatory criteria (i.e. technical standards) should be kept to a minimum to ensure that no bid is unnecessarily disqualified. All criteria must comply with Section 7.2.14, Non-discrimination, of the Broader Public Sector Procurement Directive. Changes to the evaluation criteria may only be altered by means of an addendum to the competitive procurement documents.
3. The evaluation methodology and process to be used in assessing submissions, including the method of resolving a tie score, must be fully disclosed in the competitive procurement documents. Competitive procurement documents must state that submissions that do not meet the mandatory criteria will be disqualified.
4. An evaluation team shall be responsible for reviewing and rating the compliant bides. The size and qualifications of the team shall be appropriate to the complexity and value of the procurement. Evaluation team members must sign a conflict of interest declaration and non-disclosure of confidential information agreement.
5. Each member of the evaluation team must complete an evaluation matrix, rating each of the submissions. Records of evaluation scores must be maintained for audit purposes. Evaluators must ensure that everything they say or write about the submissions is fair, factual and fully defensible.
6. 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.
7. Sensity will not discriminate or exercise preferential treatment in awarding a contract to a supplier as a result of the competitive procurement process.

SUBJECT: 12.7 CONTRACT AWARD

### Policy

Sensity is committed to complying with the *Broader Public Sector Procurement Directive*. Through compliance with the Directive, Sensity will employ consistent procurement practices and ensure that goods and services are acquired through

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processes that are open, fair and transparent; create accountability through each stage of the process; certify the value received for the money spent; and receive the right product, at the right time, in the right place

### Purpose

To develop a process to award the successful supplier of a competitive procurement process

### Scope

This policy applies to all Board of Director members of Sensity and Directors.

### Procedures

1. Sensity will enter into a formal signed written contract with the successful supplier before the provision of supplying goods or services.
2. The contract shall utilize the same form of agreement that was released with the procurement documents.
3. Where an immediate need exists for the goods or services, and Sensity and the supplier are unable to finalize the contract, an interim purchase order may be used. The justification of such decision must be documented and approved by the appropriate authority.
4. The contract shall include appropriate cancellation or termination clauses as well as a dispute resolution process.
5. The term of the agreement and any options to extend the agreement must be set out in the competitive procurement document. Approval by the appropriate person shall be required prior to executing any modifications to the term of agreement.
6. For procurements in excess of \$100,000, SENSITY Ontario will post, in the same manner the procurement documents were posted, contract award notification after the agreement has been executed, and will list the name of the successful supplier, agreement start and end dates, and any extension options.
7. For procurements in excess of \$100,000, SENSITY will inform all unsuccessful suppliers about their entitlement to a debriefing and will allow 60 calendar days following the date of the contract award notification to request a debriefing.

SUBJECT: 12.8 NON COMPETITIVE PROCUREMENT

### Policy

Sensity is committed to complying with the *Broader Public Sector Procurement Directive*. Through compliance with the Directive, Sensity will employ consistent procurement practices and ensure that goods and services are acquired through processes that are open, fair and transparent; create accountability through each

stage of the process; certify the value received for the money spent; and receive the right product, at the right time, in the right place

#### Purpose

To develop a process to award the successful supplier of a non-competitive procurement process

#### Scope

This policy applies to all Board of Director members of Sensity and Directors.

#### Procedures

A competitive procurement process should be employed to ensure optimum value for money. However, special circumstances may arise that require the use of non-competitive procurement. Prior to the commencement of non-competitive procurement, supporting documentation must be completed and approved by the Executive Director.

SUBJECT: 12.9 PROCUREMENT DOCUMENTS AND RECORD RETENTION

#### Policy

Sensity is committed to complying with the *Broader Public Sector Procurement Directive*. Through compliance with the Directive, Sensity will employ consistent procurement practices and ensure that goods and services are acquired through processes that are open, fair and transparent; create accountability through each stage of the process; certify the value received for the money spent; and receive the right product, at the right time, in the right place

#### Purpose

To establish a process for contract management and record retention as relates to procurement

#### Scope

This policy applies to all Board of Director members of Sensity and Directors, Managers, Supervisors and Administrative Staff.

#### Procedures

1. Sensity will manage procurements and the resulting contracts responsibly and effectively.
2. Payments must be made in accordance with the provisions of the contract. All invoices must contain detailed information sufficient to warrant payment.
3. Any overpayments must be recovered in a timely manner.
4. Supplier performance must be managed and documents and any performance issues must be addressed promptly.
5. For reporting and auditing purposes, all procurement documentation must be retained for a period of seven years.

SUBJECT: 12.10 CONFLICT OF INTEREST

#### Policy

Sensity is committed to complying with the *Broader Public Sector Procurement*

*Directive.* Through compliance with the Directive, Sensity will employ consistent procurement practices and ensure that goods and services are acquired through processes that are open, fair and transparent; create accountability through each stage of the process; certify the value received for the money spent; and receive the right product, at the right time, in the right place

#### Purpose

To set out a process to identify and evaluate a conflict of interest with respect to the procurement process.

#### Scope

This policy applies to all Board of Director members of Sensity, Directors, Managers, Supervisors and Administrative Staff..

#### Procedures

1. Sensity will require any potential vendor to declare or disclose a conflict of interest with respect to any procurement process.
2. Sensity will include definitions of conflict of interest in the request to include situations or circumstances that could give a vendor an unfair advantage or compromise the ability of a vendor to perform its contractual obligations
3. Sensity reserves the right to determine whether any situation or circumstance constitutes a conflict of interest and further, to disqualify a prospective vendor from the procurement process due to a conflict of interest.
4. Vendors are required to avoid any conflict of interest during the performance of their contractual obligations and to disclose any actual or potential conflict of interest arising during the performance of a contract.
5. Sensity reserves the right to allow the termination of the contract where a vendor fails to disclose any actual or potential conflict of interest or fails to resolve its conflict of interest as directed by Sensity.

SUBJECT: 12.11 DISPUTE RESOLUTION PROCESS

#### Policy

Sensity is committed to complying with the *Broader Public Sector Procurement Directive*. Through compliance with the Directive, Sensity will employ consistent procurement practices and ensure that goods and services are acquired through processes that are open, fair and transparent; create accountability through each stage of the process; certify the value received for the money spent; and receive the right product, at the right time, in the right place

#### Purpose

To set out a process to resolve any disputes arising from the procurement process

**Scope**

This policy applies to all Board of Director members of Sensity, Directors, Managers, Supervisors and Administrative Staff..

**Procedures**

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

SUBJECT: 12.12 EXPENSES/PERQUISITIES

**Policy**

Sensity is committed to complying with the *Broader Public Sector Procurement Directive*. Through compliance with the Directive, Sensity will employ consistent procurement practices and ensure that goods and services are acquired through processes that are open, fair and transparent; create accountability through each stage of the process; certify the value received for the money spent; and receive the right product, at the right time, in the right place

**Purpose**

To establish guidelines for expenses and perquisites.

**Scope**

This policy applies to all employees and Board of Director members of Sensity.

**Procedures**

1. Members of Sensity's volunteer Board of Directors may be remunerated only for reasonable expenses they incur in the performance of their duties.
2. Sensity employees will be paid/reimbursed for expenses that: are related to business, modest and appropriate, balance economy and efficiency of operations within a healthy and safe workplace, are supported by acceptable documentation, and are properly authorized in accordance with internal expense policies.
3. Hospitality (i.e. food, beverages, accommodation, transportation, and volunteer/member/staff recognition) is extended as economically as possible. Unless otherwise designated, hospitality expenses are not charged to public or donated funds.
4. All business expenses are subject to internal and external audit.
5. Sensity does not provide perquisites to any of its volunteers or employees.

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