



# FINANCIAL POLICIES

<b>Section:</b> Expenditures and Purchases	<b>Subject:</b> Procurement and Purchasing	<b>Policy #:</b> 4.3
<b>Nature:</b> Operational Policy	<b>Authority:</b> Chief Executive Officer	<b>Accreditation:</b> Mandatory
<b>Implementation Date:</b> 07/08	<b>Revision Dates:</b> 07/08; 06/11; 08/12; 06/13; 02/16	<b>Last Review Date:</b> 02/16
<b>Related Policies:</b>		

**POLICY:**

Griffin Centre is committed to ensuring maximum value is received in the use of public funds. Publicly funded goods and services are acquired through a process that is open, fair and transparent. Through its procedures, Griffin Centre complies with the 25 mandatory requirements set forth in the Broader Public Sector Procurement Directive. [http://www.fin.gov.on.ca/en/bpssupplychain/documents/bps\\_procurement\\_directive.html](http://www.fin.gov.on.ca/en/bpssupplychain/documents/bps_procurement_directive.html)

Griffin Centre has formally adopted the Ontario Broader Public Sector Supply Chain Code of Ethics.

**Ontario Broader Public Sector Supply Chain Code of Ethics**

The goal of the Ontario Broader Public Sector Supply Chain Code of Ethics is to ensure an ethical, professional and accountable BPS supply chain.

1. Personal Integrity and Professionalism

All individuals involved with purchasing or other supply chain-related 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 BPS organizations, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. All 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.

2. 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.

3. Compliance and Continuous Improvement

All individuals involved in purchasing or other supply chain-related activities must comply with this Code of Ethics and the laws of Canada and Ontario. All individuals should work continuously, to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading practices.

**Purpose of this Policy**

Goods and services for the Centre must be properly acquired at the best value and in a timely manner. All expenditure or commitments for expenditure for goods and services, whether of an operating or capital nature, are governed by and are to be made in accordance with this policy.

The purpose of the policy is to support the Vision, Mission and operational activities of Griffin Centre and:

- to obtain high quality goods and services at the lowest possible cost (best value) through a process that is fair, open, consistent, transparent and accessible to qualified vendors;
- to procure goods and services from responsible environmentally conscious suppliers through a process that promotes equitable and ethical business practices and vendor relationships; and
- to purchase goods and services through a competitive process in compliance with best procurement practices and legal requirements.

The policy sets out standardized rules for competitive and non-competitive procurement and contract awarding. The rules balance numerous objectives, including accountability, transparency, risk management, value for money and, ultimately, effective and high quality service delivery. The policies and procedures support the Supply Chain Code of Ethics and those of the Management Board of Cabinet Broader Public Sector Procurement Directive Effective April 01, 2011.

### **Application and Scope**

This Policy applies to the procurement of all goods and services, including consulting services and information technology, required to meet Griffin Centre needs, except those related to accounting, public relations, media relations, and retention of outside legal services.

### **Principles**

The overall objective of this Policy is to ensure Griffin Centre acquires the goods and services required to meet its needs in the most economical and efficient manner, through a process that conforms to the following principles:

- **Vendor Access, Transparency, and Fairness**  
Access for qualified vendors to compete for Griffin Centre business must be open and the process must be conducted in a fair and transparent manner, providing equal treatment to vendors. Conflicts of interest, both real and perceived, must be avoided during the procurement process and the ensuing contract; and relationships must not be created which result in continuous reliance on a particular vendor for a particular kind of work.
- **Value for Money**  
Goods and services must be procured only after consideration of Griffin Centre business requirements, alternatives, timing, supply strategy, and procurement method.
- **Responsible Management**  
The procurement of goods and services must be responsibly and effectively managed through appropriate organizational structures, systems, policies, processes, and procedures.

### **Conflict of Interest**

A conflict of interest occurs when an employee's professional actions or decision are, or seem to be, compromised by consideration of personal gain.

To avoid actual and perceived conflicts of interest in purchasing and procurement, the Centre adheres to the following guidelines regarding purchasing and procurement:

- Whenever practical, purchasing decisions shall be made based on competitive bidding by using the pre-established bidding process;
- Employee will not attempt to influence, directly or indirectly, the relationship between the Centre and a supplier for personal gain;
- Employee will not disclose confidential purchasing information to any supplier during a tendering process;
- Employee will not only avoid actual but also perceived conflicts of interest in the process of making decision on purchasing and procurement;
- Employee will not seek or accept gratuities, or anything of value given which could influence the decision of purchase;
- The Centre will purchase goods, and services from an employee, or an employee's immediate family, domestic partner, or a business in which the employee or their immediate family, or their domestic partner holds a substantial financial interest, if and only if the decision maker to purchase such goods and services is an employee with no conflict of interest in the purchase and not subordinate to the employee with conflict of interest.

### **Segregation of Duties**

Segregation of duties, across functions and individuals, is an essential control that ensures integrity of the procurement process by reducing exposure to inappropriate, unauthorized or unlawful expenditures. Segregation of duties prevents any person from controlling the entire procurement process by segregating approvals for the key stages of the procurement process. Generally the roles of requisition, budgeting, commitment, receipt and payment should be segregated. At Griffin Centre, responsibilities are segregated to the extent possible between Facilities and Finance.

### **Approval Authority Framework**

The delegation of authority is another essential control that reduces the risk to inappropriate, unauthorized or unlawful expenditures. The approval authority framework is outlined below which sets out a clear policy and process for the

delegation of financial authorities and approvals within Griffin Centre. The policy defines approval levels corresponding to job roles and ensures that each individual's approval authority is commensurate with the responsibility level for their position. The authority levels are delegated by the Griffin Centre Board of Directors. This authority ensures that:

- an effective system of internal control is in place;
- financial transactions are recorded accurately and processed efficiently;
- the integrity, efficiency and effectiveness of Griffin Centre financial processes are ensured; and
- reporting is timely and complete.

All goods and services must be purchased within each program's approval budget, and are subject to approval in accordance with the approval authority listed below:

Amount	Procedure	Approval Authority
Less than \$1,000	Supporting invoices / receipts	Director / Supervisor
Between \$1,001 - \$5,000	Purchase requisition and/or purchase order.	Director / C.O.O.
Between \$5,001 - \$25,000	At least three competitive quotes	C.O.O.
Between \$25,001 - \$99,999	Request for Proposal	C.E.O.
\$100,000 and over	Request for Proposal	C.E.O., & Board Approval

**Corporate Credit Card (VISA Purchasing Card)**

The corporate credit card may be issued to an employee who requires it to incur expenses on behalf of the Centre. It is the employee's responsibility to ensure that its usage complies with the Centre's Purchasing Policy and Transportation and Travel policy.

Employee cardholders must reconcile Account Statement reports for accuracy and attach supporting receipts and forward to their Supervisor for approval and signature. The approved statement and receipts will then be sent to the Finance Department no later than one week before the statement due date for payment.

The corporate credit card is not intended to avoid or bypass appropriate purchasing procedures as outlined in this policy.

**Competitive Procurements**

The procurement of goods and non-consulting services must be in compliance with the Broader Public Sector guidelines (BPS, 2011) best procurement practices and legal requirements.

**Procurement of Goods, Non-Consulting Services and Consulting Services**

Goods and non-consulting services as well as consulting services are to be procured based on the following aggregate thresholds:

Estimated Value	Solicitation Method	Response Format	Minimum # of Responses
<b>Goods and Non-Consulting Services</b>			
< \$1,000	Use Visa Purchase Card or cheque requisition	None	None
\$1,001 - 5,000	Informal quote	Telephone quote	One (1)
\$5,001 - 99,999	Invitational formal quote	Written quotes	Three (3)
≥ \$100,000	Open competitive formal process (e.g. Request for Tender, Request for Quotation or Request for Proposal)	Formal written bids	One (1)
<b>Consulting Services</b>			
< \$99,999	Invitational formal quote	Written quotes	Three (3)
≥ \$100,000	Open competitive formal process (e.g. Request for Tender, Request for Quotation or Request for Proposal)	Formal written bids	One (1)

## **PROCEDURE:**

### **Procurement Policies and Procedures (Mandatory Requirements)**

On the occasion, whereby a specific procurement falls within the requirements set forth in Broader Public Sector Procurement Directive (July 1, 2011), the Griffin Centre shall comply as follows;

1. Segregation of duties;
2. Approval of Authority;
3. Competitive Procurement Threshold;
4. Information gathering;
5. Supplier pre-qualification;
6. Posting competitive procurement documents;
7. Timelines for posting competitive procurements;
8. Bid receipt;
9. Evaluation criteria;
10. Evaluation process disclosure;
11. Evaluation team;
12. Evaluation matrix;
13. Winning bid;
14. Non-discrimination;
15. Executing the contract;
16. Establishing the contract;
17. Termination clauses;
18. Terms of agreement modifications;
19. Contract award notification;
20. Supplier debriefing;
21. Non-competitive procurement;
22. Contract management;
23. Procurement records retention;
24. Conflict of interest;
25. Bid dispute resolution.

### **Departure from Procurement Procedure**

The Procurement Process may be exempted with the approval of the Chief Executive Officer for the following situations:

- Real Estate acquisition and leasing agreement;
- Services provided by Licensed Professionals: such as Medical Doctors; Psychologists; Engineers; Architects; Certified Public Accountants, and Lawyers;
- Due to the nature of the Centre's Flex Funds, the purchase of staffing needs is exempt from the Procurement Process;
- Only one consultant has unique qualification or experience required to perform the task;
- Unforeseen situations of an urgent or emergency nature exist;
- Confidential tasks for which it is inappropriate to solicit proposals from a number of sources;
- The task is a follow-up of a previous one; or
- The vendor is transferred from another agency to continue an unfinished project.

Management is responsible for:

- Entering into procurement agreements and contracts on behalf of the Centre for the procurement of all goods and services required, according to approved policies and procedures;
- Monitoring and compliance with all procurement related internal controls;
- Centre wide communication and education of all procurement policies and procedures;
- Monitoring and documentation of vendor performance;
- Addressing complaints about vendor performance and informing appropriate administrative staff;
- Reviewing and updating procurement policies and procedures;
- Establishing the appropriate internal controls related to all procurement processes and ensuring compliance with all controls;
- Approving any exemption from the mandatory requirements of the procurement policy.

## **Documentation**

The Director carrying responsibility for the purchase of the goods or service completes the Centre's Capital Expenditures and Purchases – Procurement and Purchasing Form which outlines purchasing thresholds and approval levels.

The purpose of the form is to document:

- A description of the goods, services or consulting services;
- The cost of the quote(s) received;
- The name of the company/consultant contacted or invited to quote;
- Any decision made to proceed and rationale;
- Appropriate signing authorities have been followed.

All documentation obtained during and subsequent to the procurement process will be maintained in Central Files.