



# POLICY

POLICY SECTION Finance	POLICY NAME Procurement	POLICY SECTION FIN
SUBSECTION Procurement and Approval Authority	RESPONSIBILITY CEO	APPROVED BY Board of Directors
EFFECTIVE/REVISED DATE November 2020	LAST DATE REVIEWED: November 2020	NEXT REVIEW DATE November 2024

## POLICY DETAILS

### 1. POLICY

1.1. Lumenus Community Services (Lumenus) is committed to expenditures for [goods and services](#), whether of an operating or capital nature, being governed by and made in accordance with the Broader Public Sector Accountability Act, 2010 and the mandatory requirements of the Broader Public Sector (BPS) Procurement Directive

1.2. All Lumenus procurements are required to:

- Provide the best value for money through a process that is fair, open, consistent, transparent and accessible to all stakeholders
- Follow a process that promotes equitable and ethical business practices and appropriate vendor relationships
- Occur through a competitive process, or where appropriate a non-competitive process, based on procurement best practices and requirements
- Leverage purchasing agreements and co-operative purchasing contracts wherever feasible and appropriate
- Utilize a collaborative process that is efficient and productive for user departments
- Follow a formal process with specified individuals throughout each stage of the procurement

1.3. **Core Procurement Principles** - All individuals involved in the procurement process must adhere to the principles of:

- Accountability** – We are accountable for the results of our procurement decisions and the appropriateness of the processes
- Transparency** – We are transparent to all stakeholders and wherever possible, stakeholders must have equal access to information on procurement opportunities, processes and results.

- c) **Value for Money** – We use taxpayer dollars prudently and responsibly.
- d) **Quality Service Delivery** – Services and operations must receive the right product at the right time in the right place.
- e) **Process Standardization** – We implement and follow standardized processes that remove inefficiencies and create a level playing field for vendors

1.4. **Procurement Code of Ethics** – All individuals involved in the procurement process are required to adhere to the Procurement Code of Ethics that defines acceptable behaviours and standards throughout every stage of the procurement process as follows:

- a) **Personal Integrity and Professionalism** – All individuals must act and be seen to act with integrity and professionalism. Honesty, care and due diligence must be integral within and between Lumenus, 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.
- b) **Accountability and Transparency** – Procurers must be accountable and transparent. In particular, contracting and purchasing activities 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 Continuous Improvement** – All individuals must comply with this code of ethics and the laws of Canada and Ontario. All individuals should continuously work to improve procurement policies and procedures, to improve their procurement knowledge and skill levels and share leading practices.

1.5. **Defined limits and criteria** - In accordance with the Approval Authority Policy, all goods and services must be purchased within defined limits and meeting defined criteria as follows:

Goods, Non-Consulting Services and Construction		
Procurement Value	Procurement Method	Approval Authority
Up to \$5,000	Minimum one advertised or telephone quote	Manager
Between \$5,001 - \$15,000	Minimum two written quotes	Director
Between \$15,001 - \$50,000		Strategic Directors or Director of Finance
Between \$50,001 - \$99,999	Invitational competitive (minimum of three suppliers are invited to submit a bid)	Chief Operating Officer (COO) or Chief Administrative Officer (CAO)
\$100,000 or more	Open competitive process (Request for Proposal)	CEO and Board Executive
Consulting Services		
Procurement Value	Procurement Method	Approval Authority
Up to \$15,000	Minimum two written quotes	Director

Between \$15,001 - \$50,000		Strategic Directors or Director of Finance
Between \$50,001 - \$99,999	Invitational competitive (minimum of three suppliers are invited to submit a bid)	Chief Operating Officer (COO) or Chief Administrative Officer (CAO)
\$100,000 or more	<a href="#">Open competitive process</a> (Request for Proposal)	CEO and Board Executive

1.6. **Segregation of Duties** - At least three of the five functional procurement roles must lie with different departments or at a minimum different individuals, specifically:

- a) Requisition
- b) Budgeting
- c) Commitment
- d) Receipt
- e) Payment

Where it is not feasible to segregate these roles, adequate compensating controls must be put in place.

1.7. **Value of Procurements** – The value of a procurement may not be reduced in order to circumvent competitive procurement thresholds (e.g., dividing a single procurement into multiple procurements to fall beneath the \$100,000 threshold)

1.8. **Requirement for Competitive Procurements** - Lumenus must conduct open competitive procurements:

- a) For all [consulting services](#) irrespective of value in accordance with the Approval Authority Policy
- b) Through a [Request for Proposal \(RFP\)](#) where the estimated value or [lifecycle cost](#) of the [goods and services](#) are \$100,000 or greater.

1.9. **Criteria for Non-Competitive Procurements** - Lumenus may be allowed to conduct non-competitive procurements in defined areas as follows:

- a) Applicable trade agreements provide exemptions
- b) Special circumstances apply that must be approved in writing by the CEO as follows:
  - i. Residential services for children and support services due to immediacy of need in 24/7 service provision
  - ii. Individual staffing and support services
  - iii. Real estate acquisitions and leasing agreements
  - iv. Services provided by licenced professionals such as medical doctors, psychologists, psychiatrists, engineers, architects, chartered accountants and lawyers
  - v. One consultant has a unique qualification or experience required to perform a specific task
  - vi. Unforeseen situations of an urgent or emergency nature
  - vii. Confidential tasks for which it is inappropriate to solicit proposals from a number of sources
  - viii. The task is a follow up from a previous task performed
  - ix. The vendor is transferred from another organization to continue an unfinished project



- x. A non-application clause under a trade agreement or an Agreement on International Trade (AIT)
- c) Complex Special Needs programs where procurements must be followed in accordance with document program procedures within the board approved budget or approved funding associated with funder contract amendments.
- d) Non-competitive procurements may fall within the following categories:
  - i. Single sourced procurements from a specific supplier even though there may be more than one supplier capable of delivering the same goods and services.
  - ii. Sole sourced procurements to acquire good and services where there is only one available supplier

## 2. SCOPE

- 2.1. This policy applies to all Lumenus employees, students, volunteers and Board Members who may be involved in the procurement process.

## 3. RESPONSIBILITY

- 3.1. The Board of Directors are responsible for approving and overseeing the Procurement Policy.
- 3.2. The CEO is responsible for monitoring compliance with the policy.
- 3.3. The CAO is responsible for implementing internal controls, document retention and reporting procedures to support the CEO in meeting policy compliance requirements.
- 3.4. The Procurement Officer is responsible for supporting procurers in complying with the policy and retaining procurement documentation in a centralized location for the ease of audit and compliance reviews in accordance with the Lumenus Records Retention Policy.

## 4. DEFINITIONS

- 4.1. **Consulting Services** – the provision of expertise or strategic advice and related services for consideration and decision-making.
- 4.2. **Goods and Services** – any goods, construction and services, including but not limited to information technology and consulting services.
- 4.3. **Request for Proposal (RFP)** – a formal process involving a document request of suppliers to submit written solutions and quotes for the delivery of complex products or services or to provide alternative options or solutions. It utilizes a predefined evaluation criteria and evaluation team to select a winning vendor in which price may not be the primary factor.

## 5. PROCEDURES

- 5.1. **Procurement Officer Assistance** - All Lumenus employees, students, volunteers and Board Members are required to work the Procurement Officer to centralize the



compliance documentation for:

- a) All procurements for consulting services, regardless of their value
- b) All procurements for goods and services over \$5,000
- c) All non-competitive procurements, regardless of their value
- d) All Complex Special Needs procurements including the maintenance of a list of non-competitive procurements for monthly review by the Strategic Director, Complex Special Needs and quarterly review by the CAO, COO and CAO.
- e) Securing procurements from the Government of Ontario's Vendor of Records (VOR) system

5.2. **Procurement Information Gathering** – For more complex procurements where informal supplier or product research may not be readily available, a formal process may be conducted with the Procurement Officer based on the time and effort required that may include:

Type	Purpose	Requirement
a) <b>Request For Information (RFI)</b>	Gather general supplier or product information	Responses must not be used to pre-qualify potential suppliers and must not influence the chances of the participating suppliers from becoming the successful proponent in any subsequent opportunity
b) <b>Request for Expression of Interest (RFEI)</b>	Gathering information on supplier capability & qualifications	
c) <b>Request for Supplier Prequalification (RFSQ)</b>	To develop a list of pre-qualified suppliers for certain procurements	Responses may be used to limit suppliers that are invited to respond to future <a href="#">RFPs</a> so responses and evaluation processes are manageable, while allowing unqualified suppliers to avoid further effort and expense of preparing a response to an <a href="#">RFP</a> . Pre-qualified suppliers may be used to develop a limited Vendor of Records (VOR) of suppliers who may supply certain goods or services to Lumenus in the future.

5.3. **Requests for Proposals Procedures** - All RFPs must be conducted by the Procurement Officer and the procurer to meet the following requirements:

- a) The posting of RFPs on the Lumenus website and an electronic tendering system that is readily accessible by all Canadian suppliers
- b) Utilizing a standard RFP template that is maintained by the Procurement Officer
- c) Managing any real or perceived conflicts of interest in accordance with the Lumenus Conflict of Interest Policy
- d) Maintaining appropriate communications during the RFP “blackout period”, which is from the date of the issue of the RFP and its close date, including:
  - i. The Procurement Officer manages communications with interested vendors
  - ii. All communications are to be formal through the RFP contact person identified in the RFP document
  - iii. If required, modification of the RFP document that is made available to all potential vendors at least 7 days before the closing of the RFP, only through:



- An addendum response or
  - A question-and-answer (Q&A) response
- iv. The RFP closing date will be extended to all potential vendors if modifications to the RFP do not provide 7 days for all potential vendors to respond if the associated project schedule permits;
- e) Providing potential respondents sufficient time to respond including:
  - i. A minimum response time of 15 calendar days
  - ii. Considering a response time of 30 calendar days for procurements of high complexity, risk and/or dollar value
  - iii. Setting the closing date on a normal working date (Monday to Friday, excluding provincial and national holidays).
- f) Conducting RFP response evaluations meeting the requirements:
  - i. Established and appropriately approved evaluation criteria that may include but not be limited to price, quality, quantity, transition costs, delivery, servicing, environmental consideration, supplier capacity and qualifications, experience and supplier financial capacity
  - ii. For [ICT](#) procurements, the consideration and weighting of conversion costs that do not unduly favour or disadvantage an incumbent supplier
  - iii. Limitation and clear identification of mandatory requirements (e.g. technical) to avoid unnecessary disqualification of potential suppliers and evaluation in this area only on a pass/ fail basis. In the case of a fair, no further evaluation will be conducted.
  - iv. Maximum justifiable weighting to price/ cost as appropriate including but not limited to cost domains like project price, hourly rates, daily rates and volume or service level scenarios
  - v. Compliance with non-discrimination and avoiding preferential treatment
  - vi. Evaluation of requested alternative strategies or solutions based on pre-defined criteria in the RFP and not considered if not specifically requested in the RFP document
  - vii. The method of resolving tied scores that may include but not be limited to interviews and/or reference checks
- g) The selection and administration of an appropriate evaluation team for the RFP including:
  - i. Selected and confirmed from appropriate program, administrative and/or governance levels before posting of the RFP
  - ii. Ideally involved in establishment of the evaluation criteria
  - iii. Leadership from one selected team member
  - iv. Adherence and confirmation of compliance with confidentiality and refraining from engaging in activities that may create or appear to create a conflict of interest
  - v. Each member completing an evaluation matrix based on the evaluation criteria that will be retained for audit purposes
  - vi. Selection of the highest ranked suppliers that have met all mandatory requirements

- vii. Asking bidders to clarify areas of their bid as long as it does not change their bid in any way
- viii. Where bids exceed the Lumenus budget, are not responsive to budget requirements or do not represent fair market value, a revised solicitation may be issued in an effort to obtain an acceptable bid
- ix. If not bids are acceptable and it is not reasonable to go through any other method, Lumenus may choose to negotiate directly with a chosen supplier
- x. Notification in writing to a supplier who is rejected during the evaluation process as soon as practical
- xi. Maintaining confidentiality of submissions unless made publicly available at the time of a public opening.

5.4. **Execution of Contracts Procedures** – Once the procurement process is complete the execution of a written contract must be conducted by the Procurement Officer and the procurer:

- a) Using standardized Lumenus contract templates which may be modified as appropriate in negotiation with the successful supplier prior to the provision off [goods and services](#). Lumenus contract templates are to be reviewed periodically against best practices and with legal counsel.
- b) An interim purchase order may be utilized in the absence of a contract if required with approval by appropriate authority in accordance with the Approval Authorization Policy
- c) Providing all applicants to the procurement process with notice that a contract has been signed and the competitive process is complete.
- d) For procurement valued at \$100,000 or greater, Lumenus will post the contract award in the same manner in which the procurement documents were posted identifying the name of the selected supplier(s) along with the contract start and end dates and any options to renew.

5.5. **Supplier Debriefing Procedures** – For procurement valued at \$100,000 or greater the Procurement Officer and procurer will:

- a) Include the parameters around debriefing in the [RFP](#)
- b) Inform all suppliers who participated in the procurement process of their entitlement to a debriefing inclusive of the process for booking a debriefing within 60 calendar days of the contract award notification.

5.6. **Conflict Resolution Procedures** – Lumenus will handle any supplier disputes in an ethical, fair, reasonable and timely manner with:

- c) Inclusion of resolution processes in the RFP document
- d) Inclusion of resolution processes in contract documents

5.7. **Contract Management Procedures** – Procurements and resulting contracts must be managed responsibly and effectively with:

- a) Invoices and payments being made in accordance with the terms of the contract
- b) Supplier performance being managed and documented against the contract
- c) Adherence to the Lumenus Travel, Meals and Hospitality Policy



## 6. REFERENCES

- 6.1. Approval Authority Policy
- 6.2. Conflict of Interest Policy
- 6.3. Records Retention Policy
- 6.4. Travel, Meals & Hospitality Policy
- 6.5. Broader Public Sector – Procurement Directive (July 2011)  
[http://www.fin.gov.on.ca/en/bpssupplychain/documents/bps\\_procurement\\_directive.pdf](http://www.fin.gov.on.ca/en/bpssupplychain/documents/bps_procurement_directive.pdf)
- 6.6. Agreement on Internal Trade (AIT) – Consolidated Version (2011) [http://www.ait-aci.ca/en/ait/ait\\_en.pdf](http://www.ait-aci.ca/en/ait/ait_en.pdf)
- 6.7. Broader Public Sector Procurement Directive Implementation Guidebook,  
[http://www.fin.gov.on.ca/en/bpssupplychain/documents/bps\\_procurement\\_implementation.pdf](http://www.fin.gov.on.ca/en/bpssupplychain/documents/bps_procurement_implementation.pdf)

## 7. ATTACHMENTS

- 7.1. Procurement Map
- 7.2. Procurement Request Template
- 7.3. Standard Request For Proposal Template
- 7.4. Standard Purchase Order Template
- 7.5. Standard Contract Template

 Adobe Acrobat Document Procurement Map	 Adobe Acrobat Document Procurement Request Template	 Adobe Acrobat Document RFP Template	 Adobe Acrobat Document Purchase Order Template	 Adobe Acrobat Document Contract Template
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