

# Procurement Policy and Process

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## Policy

It is the policy of Youthdale Treatment Centres (Youthdale, the agency) to acquire needed goods and services in such a manner as to obtain maximum value for each dollar disbursed, subject to the terms and conditions set forth by Youthdale, its donors, grantors, and government agencies. The agency is committed to a fair and open competitive policy for all interested, qualified suppliers. This objective will be achieved by the use of informal and formal documentation to enter into contracts, agreements and purchase orders that bind Youthdale to the terms thereof, for goods and services. The policy also provides staff with guidelines to receive competitive pricing and best overall value in a manner that aligns with the Broader Public Sector Accountability requirements.

Youthdale's Purchasing/Tendering Policy is based on the following fundamental principles:

**ACCOUNTABILITY:** All employees and board members are accountable for the results of their procurement decisions and the appropriateness of the processes.

**TRANSPARENCY:** The process will be transparent to all stakeholders. Wherever possible, stakeholders will have equal access to information on procurement opportunities, processes and results.

**VALUE FOR MONEY:** We will maximize the value we receive from the use of public funds. A value-for-money approach aims to deliver goods and services at the optimum total lifecycle cost.

**QUALITY SERVICE DELIVERY:** Front-line services will receive the right product, at the right time, in the right place.

**PROCESS STANDARDIZATION:** Standardized processes remove inefficiencies and create a level playing field.

## Procedure

Youthdale's policy on purchasing / tendering is based on the following thresholds:

### FOR ROUTINE SUPPLIES AND SERVICES UNDER \$10,000

- The Agency will review prices for competitiveness every 3 years

### FOR NON-ROUTINE SUPPLIES AND SERVICES BETWEEN \$2,000 AND \$10,000

- A minimum of two values must be secured;
- Should the minimum number of submissions not be obtained, the associated documentation must detail the reasons why;
- All suppliers participating must be qualified to participate;
- All contracts or purchase orders awarded, with associated documentation, must be maintained and stored with Finance Department.

### FOR PURCHASES OVER \$10,000 BUT LESS THAN \$50,000

- A minimum of three quotes must be secured;
- Should the minimum number of submissions not be obtained, the associated documentation must detail the reasons why;
- All suppliers participating must be qualified to participate;
- All contracts or purchase orders awarded, with associated documentation, must be maintained and stored with Finance Department.

**FOR PURCHASES OVER \$50,000**

- A minimum of three formal submissions must be secured through the tendering process;
- Should the minimum number of formal submissions not be obtained, the associated documentation must detail the reasons why;
- All suppliers participating must be qualified to participate;
- All suppliers participating must be advised in writing of the results;
- All contracts or purchase orders awarded, with associated documentation, must be maintained and stored with Finance Department;
- Government legislation shall apply to all tender documentation.

The above threshold will be followed except in the following situations:

- Human Resources - benefits & compensation
- Emergency situations where the organization, staff, interns, students, volunteers, or public safety is in question or at risk or where timeliness is essential, with Chief Executive Officer (CEO) (or designate) approval. In this case, the Chair of the Board is to be notified in writing within 48 hours of the CEO's purchasing decision.

**Tender Process & Documentation**

In general, all tender documents shall:

- Clearly define the contractual obligations of the parties;
- Use general conditions within tender documentation that are standard in the industry with appropriate special conditions only where necessary;
- Provide full details of all supplies and/or services required by the tender document;
- Provide information known to Youthdale which may affect the risks in the project;
- Clearly identify any special conditions or obligations within the tender document which are not normally part of the standard conditions;
- Specify any supporting information required from suppliers;
- Identify a person(s) for the provision of additional information;
- Specify the precise format required of the tender submissions;
- Specify whether or not alternative submissions and part submissions are acceptable;
- Specify obligations regarding identification of and relationship with third parties;
- Where appropriate, consider quality assurance procedures for work and service;
- Provide guidance to suppliers as to the process of evaluation of the tender submissions, and measurement of performance of the eventual contract;
- Provide encouragement to suppliers to incorporate innovation, by allowing submission of alternatives, while still satisfying Youthdale's objectives;
- Provide tender evaluation criteria that take into consideration assessment to achieve best value for money as specified. Weighting factors, where used, will be specified in the tender;
- Ensure compliance with standards/regulatory requirements;
- Request details as to delivery/completion time;

- Request warranty provisions in maintenance or operation of equipment;
- Request direct, indirect and operational costs;
- Request financial capability, technical and managerial capacity to fulfill the requirement.

## Period Term for Tender Document

Where period terms for tender documents are to be established they should not, as a general rule, run to periods in excess of three years unless there is sound value for doing so. The period may be up to 3 years or offered in one or two year segments, with options to extend to a maximum of three years.

## Changes to Tender Documentation

Interpretations shall be made in reply to queries from suppliers only in the form of written addendum. When it becomes necessary to revise, delete, substitute or add to a tender document under call, the Director in charge of Tender shall execute the issuance of an addendum.

Addenda shall be forwarded to each participating supplier who obtained tender documentation. In certain cases where the addendum requires additional time commitment from the suppliers, the tender closing date may require extension to meet the requirement and will be provided on the addendum.

## Technical Specifications

In general, specifications should be appropriate for the purpose and capable of being readily understood by all prospective suppliers. Care should be taken to avoid unnecessarily restrictive specifications, or specifications which may favour a supplier, particularly when standard products from other suppliers could satisfy the needs.

## Conditions for Tendering Document Closing

All tender documents are to clearly identify the place, date, time and contact for tender document closing. Tender submissions will be accepted in person and via courier. Electronic format, such as facsimile and email, may be accepted, if stated as acceptable on the tender documentation.

- 1 Tenders conveyed orally will not be considered.
- 2 Tender submissions received after the specified closing time and date will not be considered unless the supplier provides explicit and conclusive evidence that the tender submission was delivered to the issuing office in time and that under normal circumstances, the tender submission would not have been received late.
- 3 Any tender submission that is not accompanied by the requirements stated within the tender documentation may be rejected. Any tender submissions in which information is not legible are liable for rejection.

## Conditions for Tender Submissions

Submission of a tender shall be taken to mean that the supplier has obtained all information necessary for its accurate preparation.

Youthdale reserves the right to accept a tender submission for all of the items or for each or any item.

Unless otherwise specified by the supplier, tender submissions shall remain valid for a period of ninety (90) days from closing date of the tender document.

The supplier may be called upon to supply information additional to that shown in the tender submission. The supplier shall, within the time specified, comply with any such requests.

In addition, Youthdale reserves the right to interview or inspect the premises of any supplier prior to contract or order allocation.

All tender submission information and responses to inquiries must be submitted in writing and are to follow the request format as outlined in the tender document. Content of the submission may be incorporated into and be made part of any contract or order between Youthdale and the supplier.

A supplier may submit alternatives if allowed within the tender document. Where an alternative is offered, the supplier shall include a fully detailed description, which allows its technical acceptability, methodology, time and price to be fully assessed, and to state clearly the manner in which it differs from that specified. Separate prices are required for any alternative offers.

The tender submission shall include net pricing (less all discounts), including all direct and indirect costs, ensuring the standard of service called for is maintained consistently throughout the contract or order.

Taxes shall not be applied to the unit pricing of goods or services in the tender submission.

## Confidentiality of Tenders

Details of tender submissions received are considered confidential.

Copies may be provided for internal use by Youthdale only.

## Tender Evaluation Team and Criteria

Tender submission evaluation shall be undertaken by the Finance Department and the user department who have the relevant skills and knowledge appropriate to the value and importance of the requirement, and who are free of any conflict of interest which might undermine the objectivity of the assessment. The evaluation team will consist of a minimum of three members:

- at least one should be the person who is primarily responsible for oversight of the goods or service;
- at least one should be a member of the Leadership Collaborative or the Senior Leadership Team;
- at least one should be a member of the Finance and Corporate Services department;
- one person can satisfy one or more of these criteria; however, a minimum of three members is always required

The Evaluation Team will develop the evaluation criteria and matrix that they will use to score each of the competitive bids. The evaluation criteria will be reviewed and approved by the Senior Director of Finance and Corporate Services prior to commencement of the competitive procurement process.

The criteria and matrix will clearly outline mandatory, rated, and other criteria that will be used to evaluate submissions, including weight of each criterion. Mandatory criteria, such as technical standards, should be kept to a minimum to ensure that no bid is unnecessarily disqualified. A maximum weighting of 50% must be allocated to the price/cost component of the evaluation criteria. The criteria should be objective and must not discriminate or exercise preferential treatment for a particular supplier. The Finance and Corporate Services department can provide assistance in their development.

The following criteria may be taken into account in determining the successful supplier:

- Completeness (basic tender document compliance);
- Conformity with specified requirements;
- Price in relation to the tender document;
- Comparative evaluation based on achieving best value for money;

- Past performance;
- Local factors;
- Total cost of ownership/whole of life cost;
- Quality including equipment/method to be used;
- Timeliness;
- Alternative proposals and innovations where permitted;
- Environmental factors;
- Known commitments;
- Financial capability and technical and managerial capacity.

Suppliers shall provide sufficient information on the above criteria together with any other information that is available to allow an accurate assessment of their tender submissions.

Once decided upon and disseminated, the evaluation criteria can be altered only by means of addendum to the competitive procurement documents.

### **Receipt, Review and Scoring**

Each evaluation team member will complete an evaluation matrix, rating each of the submissions. Submissions that do not meet any of the minimum submission requirements will be disqualified and will not be considered further. You cannot ask a proponent to revise their bid to meet the minimum requirements.

Records of evaluation scores must be retained for audit purposes. Evaluation Team members must ensure that everything they say or write about submissions is fair, factual, and fully defensible.

Note that at this step, the team should not look at the pricing schedule of the bid until all other parts of the bid have been scored and reviewed by each team member.

### **Interviews of the Proponents**

The procurement criteria set out in the documents might include the opportunity for an interview with those proponents who have met the minimum requirements and who have not been disqualified. If interviews are required, the team members will invite representatives from each of the qualifying proponents. A maximum of three representatives from the bidding organization will be permitted to attend the interview process.

The Evaluation Team will prepare a question document in advance of the interviews and each proponent will be asked the same questions in the same order. Each question should be scored independently by each team member.

### **Review of Pricing**

Once the other elements of the bid process, including the interviews, have been reviewed and scored the Evaluation Team will review the pricing of each. Pricing will be evaluated on a comparative basis, using a formula to allocate the available points related to pricing based on the relative magnitude of the bid value provided by each proponent. The pricing provided in the procurement bid must be used and the team should not contact any of the proponents requesting that they modify their pricing component.

### **Winning Bid Determined**

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. The Team's decision will be provided to the

Senior Director of Finance and Corporate Services, along with the scoring matrices and all supporting documents, who will review and approve the decision.

The team must not discriminate or exercise preferential treatment in awarding a contract to a supplier as a result of the competitive procurement process.

### **Tender Submission Acceptance**

Youthdale shall not be bound to accept the lowest or any tender, and no tender shall be deemed to have been accepted unless and until notice in writing is provided by Youthdale to the successful supplier in the form of a contract or order.

For procurements that were conducted using an open competitive process, the contract award notification must be posted in the same manner as the procurement documents were posted. The notification will be posted after the agreement with the successful proponent has been executed. Contract award notification must list the name of the successful supplier, agreement start and end dates, and any extension options, as well as provide the opportunity for unsuccessful proponents to request a debriefing. The Finance and Corporate Services department will communicate with ReConnect to post the award notification.

For procurements that were conducted using an invitational competitive process, a member of the Evaluation Team will advise the successful proponent via email.

The tender document, any subsequent written amendment, the offer and the notice in writing of acceptance of the offer shall constitute the agreement between Youthdale and the successful supplier.

### **Notification of Unsuccessful Suppliers**

Where written tender submissions have been provided, the unsuccessful suppliers shall be advised by letter as soon as practicable after the contract or order has been awarded. For procurements valued at \$100,000 or more, organizations must inform all unsuccessful suppliers about their entitlement to a debriefing. Organizations must allow unsuccessful suppliers 60 calendar days following the date of the contract award notification to request a debriefing. Information should not be divulged about the pricing details of the successful suppliers' submission.

### **Establishing and Executing the Contract**

The agreement between Youthdale and the successful supplier must be formally defined in a signed written contract before the provision of supplying goods or services commences. Where an immediate need exists for goods or services, and you are unable to finalize the contract, the terms of the bid document and the bid proposal will suffice for an interim basis. The justification of such decision must be documented and approved by the Senior Director of Finance and Corporate Services before proceeding.

All contracts must include appropriate cancellation or termination clauses. When conducting complex procurements, you should consider, as appropriate, the use of contract clauses that permit cancellation or termination at critical project life-cycle stages.

The term of the agreement and any options to extend the agreement must be set out in the competitive procurement documents. Extending the term of agreement beyond that set out in the competitive procurement document amounts to non-competitive procurement where the extension affects the value and/or stated deliverables of procurement. An approval by the Senior Director of Finance and Corporate Services must be obtained before executing any modifications to the term of agreement.

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Other required elements include:

- To manage disputes with suppliers throughout the life of the contract, there must be a dispute resolution process.
- For services, there must be clear terms of reference for the assignment. The terms should include objectives, background, scope, constraints, staff responsibilities, tangible deliverables, timing, progress reporting, approval requirements, and knowledge transfer requirements.
- Expense claim and reimbursement rules that are compliant with the Broader Public Sector Expenses directive. Please note that expenses are claimed and reimbursed only where the contract explicitly provides for reimbursement of expenses.

The Finance and Corporate Services Department will assist the Evaluation Team with writing and finalizing the contract. The contract will use the form of agreement that was released with the procurement documents. The contract must be signed by an appropriate Senior Director or the CEO as provided for in the Authorization Level policy.

### **Storing the Contract and Payment of Invoices**

Procurements and the resulting contracts must be managed responsibly and effectively. Payments must be made in accordance with provisions of the contract and all invoices must contain detailed information sufficient to warrant payment. Any overpayments will be recovered in a timely manner. Supplier performance must be managed and documented, and any performance issues must be addressed.

A copy of all contracts must be provided to the Finance and Corporate Services department, who will store a copy for a period of at least seven years from the end of the term.

For reporting and auditing purposes, all procurement documentation, as well as any other pertinent information must be retained in a recoverable form for a period of seven years. The handling, storage and maintenance of the suppliers' confidential and commercially sensitive information is covered under a separate policy.