

	Section: 15 Finance	Pages: 4	Policy Number: 15-7
	Subject: Procurement and Purchases		

POLICY STATEMENT

It is the policy of Banyan Community Services that all goods and services be acquired in accordance with best business practices and guidelines to ensure the process is open, fair, transparent and consistent with the administrative policies of the organization and the Broader Public Sector Accountability Act.

PURPOSE OF THE POLICY

The purpose of this policy is to ensure that ethical, efficient and accountable practices are used for sourcing and procuring Good and Services, and other supply chain related activities at the Organization.

PRINCIPLES

The Policy incorporates these guiding principles:

- **Accountability** – The Organization must be accountable for the results of its procurement decisions and the appropriateness of the processes
- **Transparency** – The Organization must be transparent to all stakeholders. Wherever possible, stakeholders must have equal access to information on procurement opportunities, processes, and results
- **Value for Money** – The Organization must maximize the value it receives 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 provided by the Society 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.
- **Request for Supplier Qualifications (RFSQ)**: means a document used to gather information on supplier capabilities and qualifications, with the intention of creating a list of pre-qualified suppliers.

A. DEFINITIONS:

- **Goods**: means physical goods or software products that can be produced, bought and sold.
- **Procurement Value**: means the total cost of the contract, from the date of first supply through to the expiry date of the contract, in Canadian dollars, excluding applicable taxes and including all applicable charges such as cost of freight and installation, extension options, warranties, maintenance, training, and currency exchange. The overall value of procurement must not be reduced by dividing it into multiple procurements in order to circumvent the approval requirements.

- **Services:** means intangible products that do not have a physical presence
- **Trade Agreements:** means any applicable trade agreement to which Ontario is a signatory.
- **Vendor of Record:** means a procurement arrangement, established through a competitive process, that authorizes one or more qualified vendors to provide Goods and/or Services for a defined period on terms and conditions as set out in a contract.

B. PROCEDURES:

1. Banyan shall make all purchases in accordance with applicable law, including but not limited to trade agreements, procurement directives, contract law, procurement law, privacy legislation, accessibility legislation, and any other legislation as may be applicable.
2. All purchases of Goods and/or Services made by or on behalf of the Organization shall be undertaken in accordance with the appropriate procurement process as determined having regard to the total Procurement Value of the Good and/or Service being acquired and as detailed in the **15-7-2 Procurement Procedure**.
3. All purchases of Goods and/or Services made by or on behalf of the Organization shall be undertaken in accordance with **02-7 Professional Code of Conduct**.
4. All purchases of Goods and/or Services made by or on behalf of the Organization are subject to approval by the respective authority in accordance with the Approval Authority Schedule outlined in **15-7-2 Procurement Procedure**
5. All purchases of Goods and/or Services made by or on behalf of the Organization shall be undertaken in accordance with the Broader Public Sector Supply Chain Code of Ethics (**refer to Appendix 1**), which is available and visible to all members of the organization and to suppliers and stakeholders involved with the Supply Chain process
6. Any exceptions to this Policy must be authorized by the Chief Executive Officer or delegate.

7. Procurement Planning

- 7.1. Planning should be undertaken for the organization's annual procurement requirements as well as for individual procurement activities
- 7.2. Planning allows organizations to determine:
 - Goods and services necessary to meet business requirements
 - Opportunities to aggregate spend in order to create process efficiencies and maximize value for money
 - Potential supply sources
 - Necessary approvals and timing of when these approvals will be needed
- 7.3. Procurement planning objectives include:
 - Early identification of needs

- Clear definition of requirements
- Justification of the acquisition

8. Roles and Responsibilities

- 8.1.** All staff shall use the proper procurement method in accordance with the Purchasing Procedure, and seek guidance from Corporate Services as required.
- 8.2.** Corporate Services, under the guidance of the Director, Corporate Services shall:
- In accordance with the **15-7-2 Procurement Procedure**, manage the procurement process for purchases of Goods and/or Services greater than or equal to \$100,000, and help and guidance to staff for purchases of Goods and/or Services under \$100,000
 - Make recommendations to align proposed non-competitive procurements with applicable laws, trade agreements, and procurement directives;
 - Establish Vendors of Record arrangements, and provide guidance to staff on how to utilize Vendors of Record (VOR) (See section 9 below)
 - Ensure compliance with all applicable laws, including trade agreements and procurement directives
 - Monitor purchases of Goods and/or Services or compliance with this Policy.

9. Vendor of Record Procurement

- 9.1.** When Goods, Services and/or Consulting Services of the same nature are required often, Corporate Services will recommend that a VOR list is established by issuing a Competitive Procurement using the Request for Supplier Qualification (RFSQ) to:
- Gather information about supplier capabilities and qualifications in order to pre-qualify suppliers for an immediate product or service need
 - Gather information about supplier capabilities in advance of expected future competitive procurements
- 9.2.** Organizations must establish VOR arrangements through an open competitive procurement process.
- 9.3.** The terms and conditions of the RFSQ document must contain language that disclaims any obligation of Banyan to call on any supplier to provide goods or services as a result of the pre-qualification.
- 9.4.** Upon completion of this Competitive Bid Process, a VOR list of Suppliers qualified to provide the Goods, Services and/or Consulting Services is created. A VOR contract, usually no longer than three (3) years, is entered into with each of the prequalified Suppliers on the VOR list.

10. Training

- 10.1.** All staff involved in procurement will receive education on the procurement practices.

11. Record Retention

11.1. 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. Please refer to **01-31 Corporate Records Management**.

C. REFERENCE SOURCES

- Broader Public Sector Accountability Act, 2010
- Broader Public Sector Procurement Directive Implementation Guidebook April 2011

D. CROSS REFERENCES

- Bylaw 12.2 Execution of Documents, Board of Directors
- 01-31 Corporate Records Management
- 02-7 Code of Conduct
- 15-1 Accounting Practices
- 15-1-2 Accounts Payable Procedures
- 15-2 Signing Authority
- 15-3 Cash Handling
- 15-4 Corporate Credit Cards
- 15-7-2 Procurement Procedure

E. REVIEW CYCLE: This policy is to be reviewed every 3 years.

Approved By:	Senior Management Team
Effective Date:	March 2018
Revised Date:	October 2018, February 2021 (formatting), October 2021, October 2022, September 2023, March 2024
Reviewed Date:	

Appendix 1 Supply Chain Code of Ethics

Ontario Broader Public Sector (BPS)

Goal: To ensure an ethical, professional, and accountable BPS supply chain.

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 BPS organizations, suppliers and vendors. 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, purchasing and contracting 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. Individuals should continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading practices