

Title: Procurement Policy	Policy Number: FIN-0005.03
	Policy Area: FINANCE
Policy Approved By: Board of Directors	Effective Date: 2021-11-23

I. Purpose

This policy establishes the process to ensure that goods and services that the RHRA acquires is fair, open, transparent, geographically neutral, accessible to qualified suppliers, and is both economical and efficient.

II. Application

This Policy covers the procurement of all Goods, Consulting and most Non-Consulting services on behalf of the RHRA. It applies to all RHRA personnel, including the Board of Directors, officers, employees and appointees, and specifies the responsibilities of individuals involved in the procurement process.

III. Policy

The RHRA will undertake procurement practices that:

- Comply with the mandatory sections of the Management Board of Cabinet Procurement Directive February 2014 (the “Directive”) applicable to “Other Included Entities”;^{*}
- Adhere to the policy principles described in this document; and
- Adhere to the directions provided in the RHRA Procedures document attached as Appendix A.

^{*} *The RHRA is considered to be an “Other Included Entity” because the Chair of the Board of Directors is appointed by the Government of Ontario, and under the terms of its Memorandum of Understanding (“MOU”) with the Government of Ontario, the RHRA is not required to comply with the Directive in its entirety.*

IV Definitions

A general list of procurement terms and definitions is provided in Schedule 1 of the RHRA Procurement Procedures document. The list includes all defined procurement terms referenced in this document and in the RHRA Procurement Procedures document.

V Principles

To meet the purpose of this Policy, the RHRA will follow these principles when acquiring goods and services through the procurement process:

Supplier Access, Transparency & Fairness: Access for qualified suppliers to compete for RHRA business shall be open and the procurement process shall be conducted in a fair and transparent manner, providing equal treatment to suppliers.

No Conflict of Interest: Conflict, both real and perceived, shall be avoided during the procurement process and the ensuing contract; and relationships that create a continuous reliance on a particular supplier for a particular kind of work will be avoided.

Value for Money: Goods and services shall be procured only after consideration of RHRA's business requirements, alternatives, timing, supply strategy, and procurement method.

Responsible Management: The procurement of goods and services shall be responsibly and effectively managed through appropriate organizational structures, systems, policies, processes, and procedures.

Geographic Neutrality and Reciprocal Non-Discrimination: If a trade agreement applies, the RHRA will ensure that access for suppliers to compete for RHRA business is geographically neutral with respect to other jurisdictions that practice reciprocal non-discrimination with Ontario.

VI Content

General responsibilities of individuals involved in the procurement process are described below. Specific direction for conducting procurements is provided in the RHRA Procurement Procedures document.

VII Planning

Planning is an integral part of the procurement process and procurement will be considered during the development of fiscal and operational plans. Procurement planning considerations may include:

- Early identification of needs;
- Definition of requirements;
- Justification for the planned procurement initiatives;
- A measure of the compatibility with program or regulatory requirements;
- Estimated Procurement Value; and
- Approval authorization to proceed.

VIII Justification

Prior to any procurement, consideration of the need for the acquisition is required. A Business Case is required for all procurements valued at \$3,000 or more, with sufficient detail to justify the expenditure. Routine transactions, such as replacements or general office expenditures, may be supported by less detail than non-standard transactions. All Non-Competitive procurements must be supported by a Business Case.

IX Segregation of Duties

The functions of requisition, commitment, receipt and payment for acquisitions will be segregated. All commitments must be approved by an individual outside of the partment that prepared the requisition, unless approved by two signing authorities.

X Procurement Method

The RHRA will select a method of procurement based on the guidelines set out in the RHRA Procurement Procedures document.

Non-Competitive Procurements are subject to the requirements of the Directive and should occur rarely and only under the specific circumstances described in the Directive. (See Sec. 3.2.1 of the RHRA Procurement Procedures document.)

XI Procurement Process Approval

Approval to proceed with the procurement process must be obtained prior to the commencement of any procurement process. Approval authority is provided in the RHRA *Delegation of Signing Authority Policy* for members of the Board of Directors, Officers, employees and appointees to authorize transactions on behalf of the RHRA.

XII Commitment Approval

Approval to award and enter into an Agreement must be obtained at the end of the procurement process. Authority is provided in the RHRA *Delegation of Signing Authority Policy* for members of the Board of Directors, Officers, employees and appointees to authorize Commitments on behalf of the RHRA.

XIII Contract Management

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

Assignments must be properly documented.

XIV Procurement Records Retention

For reporting and auditing purposes, all procurement documentation, as well as any other pertinent information will be retained in a recoverable form for a period of seven (7) years from expiry date of the Contract (subject to litigation hold).

XV Approval

The Board of Directors approves the Procurement Policy. Management may, from time to time, update provisions or processes in the appended procedures document and will notify the Board of any material changes.

XVI Reference Documents

Ontario Public Service Procurement Directive, Issued by Management Board of Cabinet December 2014, Updated September 1, 2020

Broader Public Sector Procurement Directive, Issued by Management Board of Cabinet July 1, 2011

Document Control				
Policy Number	Approval Date	Review Date	Author	Description of Changes
FIN-0005.01	2011-06-20			
FIN-0005.02	2014-11-19	October 2014	Jay O'Neill	
FIN-0005.03	2021-11-23	November 2021	Farhad Sethna	Sec. 3.3, 6.1, 7.1

APPENDIX A
RHRA PROCUREMENT PROCEDURES

1. Purpose

This document assists personnel who are tasked with the responsibility of Procurement and coordinating Procurement, to comply with the RHRA Procurement Policy.

2. General

All Commitments are to have a direct benefit to the RHRA. Personnel that authorize Commitments are accountable for ensuring the transaction is supported by appropriate documentation and is made in accordance with their defined delegation of authority.

Prior to undertaking any Procurement that may result in the release of personal or sensitive information the RHRA must conduct a risk assessment that includes a Privacy Impact Assessment (PIA) and a Threat Risk Assessment (TRA). Any information that is to be released must comply with applicable privacy legislation.

The Corporate Projects Advisor is responsible for coordinating all procurement activities and for maintaining all documentation related to Procurement including contract management.

The Project Lead is the functional unit person responsible for meeting business needs and coordinating with the Corporate Projects Advisor through the procurement process. The Project Lead should check with the Corporate Projects Advisor to address any questions on process requirements before initiating procurement.

3. Procurement Planning

The RHRA will adequately plan for procurement initiatives so that sufficient time is allowed to complete the procurement process. New procurement processes will only be initiated after considering all available internal resources.

3.1 Identifying Requirements

The Project Lead should develop a concise statement or business case for the procurement project that clearly identifies what is to be procured. This statement should be used to develop clear business requirements and to appropriately scope the Contract.

Where the Project Lead is uncertain about the specifications for a procurement project or where there is insufficient internal knowledge about the market, he or she may confer with the Corporate Projects Advisor about conducting a Request for Information (RFI) process.

3.2 Procurement Value

The Project Lead, in consultation with the Corporate Projects Advisor must determine the estimated Procurement Value in order to determine the appropriate procurement approval authority and procurement method. To determine the Procurement Value, all costs associated with entering a contractual relationship with a third party must be considered. Such costs may include, but are not limited to:

- Price/cost of the goods and/or services;
- Delivery, installation and documentation costs;
- Ongoing operating costs including training, support and maintenance; and
- Options to renew.

Procurement Value does not include sales taxes.

Where a project involves multiple related Procurements, the project's Procurement Value is determined by the cumulative value of all related Procurements.

The RHRA will not take any actions to reduce the Procurement Value in order to avoid any requirements set out in this document and/or the RHRA's *Procurement Policy* or *Delegation of Signing Authority Policy*. Such actions could include subdividing projects, Procurements, or Contracts and awarding multiple consecutive Contracts to the same vendor.

When the Procurement Value increases, the Corporate Projects Advisor will obtain the appropriate Procurement Value approval and ensure the appropriate procurement method has been used. This is especially important when the Procurement Value increase causes the Procurement Value to exceed the approval threshold of the original approver and/or the procurement method used.

3.3 Procurement Method

The Corporate Projects Advisor, in consultation with the Project Lead and the appropriate approval authority is responsible for selecting the procurement method. The appropriate method is dependent on the nature and value of the Procurement.

RHRA Procurement Methods are as follows:

Goods, Non-Consulting Services	
Total Procurement Value	Procurement Method
Less than \$25,000	Petty cash, Corporate Credit Card, Informal (1-3 telephone or email quotes, Purchase Order or Letter of Agreement)
\$25,000 to less than \$100,000	Invitational Competitive Process
\$100,000 or more	Open Competitive Process
Consulting Services	
Total Procurement Value	Procurement Method
Less than \$100,000	Invitational Competitive process
\$100,000 or more	Open Competitive process

Non-Competitive procurements include Single Source and Sole Source procurement processes.

- Certain allowable exceptions exist, whereby, subject to appropriate approvals, a non-competitive procurement process may be used. *(An excerpt from the Directive - Section 4.4.4.2 Allowable Exceptions is provided in Schedule 2 for reference.)*
- A Business Case must be written for all Non-Competitive Procurements. The Project Lead must complete the *RHRA Non-Competitive Procurement Approval Form*.
- Appropriate approval authority must review and sign the *Non-Competitive Procurement Approval Form*.

Non-competitive procurements require the following authorizations:

Non-Competitive Procurements for:		Authority
Goods and Non-Consulting Services	Less than \$25,000	One Corporate Officer or Named Signing Authority
	\$25,000 to less than \$100,000	CEO or CCSO and one other Corporate Officer or Named Signing Authority
	Equal to or Greater than \$100,000	CEO or CCSO and Chair or one other member of the Board of Directors
Consulting Services	Less than \$100,000	CEO or CCSO and one other Corporate Officer or Named Signing Authority
	Equal to or Greater than \$100,000	CEO or CCSO and Chair or one other member of the Board of Directors

The RHRA may review the Ministry of Government Services Vendor of Record (VOR) Arrangement when selecting a procurement method in order to determine if there is a VOR Arrangement that can meet the needs of the Procurement.

3.4 Procurement Process Approval

1. Project Lead must prepare a Business Case.
 - Content should include objectives, background, scope, approach, resources, deliverables, cost and timing.
2. Business Case must be reviewed and signed by appropriate approval authority
3. Project Lead must complete *RHRA Purchase Approval Form*.
4. Appropriate approval authority must review and sign *Purchase Approval Form*.
5. Corporate Projects Advisor is responsible for ensuring that the *Business Case* and the *Purchase Approval Forms* have been completed, reviewed and signed by the appropriate approval authority.

4. Procurement Document Assembly

The Corporate Projects Advisor is responsible for selecting the appropriate RF(x) format. If goods or services are likely to be required on a regular or recurring basis, use of a Request for Standing Offer to establish a Standing Offer arrangement will be considered.

A range of standard RHRA RF(x) templates and sample documents are available on the RHRA Shared Drive under Procurement. These include Ministry of Government Services

Standard RF(x) templates, as well as samples of RF(x) documents drafted by RHRA General Counsel and/or external Procurement Counsel, which may be used as templates when drafting procurement documents.

These templates will be used for all Procurements, except in unique circumstances where none of the available standard RHRA templates are suitable for the Procurement.

4.1 Procurement Document Requirements

The Corporate Projects Advisor, with input from the Project Lead, is responsible for assembling the procurement document and for maintaining all procurement records. (*Procurement document drafting guidelines and requirements are provided in Schedule 3.*)

4.2 Procurement Document Review

Prior to issuing the RF(x) document, legal review should be considered if:

- The procurement project is complex;
- The contract value is greater than \$100,000;
- There are concerns about issues of privacy, confidentiality or any other significant risks; or
- A standard RHRA RF(x) template is not being used.

5. Competition

The Corporate Projects Advisor is responsible for managing the competitive process and for maintaining all records related to the competitive process.

5.1 Tendering Process

The RHRA may use electronic tendering for Open Competitive Procurements. The RF(x) document(s) will be posted on *MERX*, *Biddingo* or any other electronic tendering system that is readily accessible by all Canadian suppliers. For Invitational Competitive Procurements, the RF(x) document(s) will be sent by e-mail to at least three (3) suppliers.

5.2 Bid Response Time

The RHRA will provide sufficient time for suppliers to prepare and submit bid responses in view of all relevant factors such as, but not limited to, time needed by the supplier to properly disseminate the information, complexity, risk, seasonality, and best practices within the relevant industry.

For all Procurements with a Procurement Value less than \$100,000, the RHRA will provide suppliers with sufficient time as described above.

For all procurements with a Procurement Value of \$100,000 up to \$548,699, the RHRA must allow at least fifteen (15) calendar days.

For all Procurements with a Procurement Value of \$548,700 or more, the RHRA must allow at least thirty (30) calendar days.

5.3 Communication with Bidders During the Competitive Process

The RHRA will have a single point of contact for bidders during the competitive process. Generally, the Corporate Projects Advisor will fulfill this role. Suppliers will be directed, in the procurement document, to only communicate with this individual during the competitive process. No other RHRA employee or board member may engage in communications with bidders during the competitive process unless requested to do so by the Corporate Projects Advisor.

5.4 Additional Information

Any additional information, clarification or modification of the procurement documents must be provided in the same manner as the procurement document via an amendment or addendum and must be released in sufficient time prior to the submission deadline to allow suppliers sufficient time to submit a responsive bid. The submission deadline may be extended to provide sufficient time to suppliers.

5.5 Bid Receipt

The identified RHRA contact is responsible for receiving submissions and documenting the date and time of receipt of each submission. Submissions received after the submission due date and time must be rejected and the supplier will be so notified in writing.

5.6 Evaluation Process

The RHRA will evaluate the bid responses received consistently and in accordance with the evaluation criteria, rating and methodology set out in the procurement document.

Typically, an evaluation process is comprised of three components: mandatory requirements, rated requirements and price/cost. The evaluation of price/cost will be undertaken after the completion of the evaluation of the mandatory requirements and any other rated criteria.

The RHRA must apply the maximum justifiable weighting to price/cost but should also take into account quality, quantity, delivery, servicing, experience and qualifications, financial capability, and any other criteria directly related to the Procurement.

Where a vendor is disqualified for non-compliance with a mandatory requirement, no further evaluation of that vendor's submission may take place and the vendor will be so notified in writing.

Following the evaluation process, the RHRA may select only the highest ranked submission that has met all mandatory requirements set out in the related procurement document.

5.6.1 Evaluation Methodology

The evaluation process to be used in assessing a vendor's submission must be fully disclosed in the procurement document. A full disclosure of the evaluation methodology and process includes, but is not limited to:

- A clear articulation of all mandatory requirements, which must indicate if the mandatory requirements will be assessed on a pass/fail basis and if so, indicate how vendors achieve a passing grade;
- All weights, including sub-weights for rated requirements;
- Description of any short-listing processes, including any minimum rated score requirements;
- The role and weighting, if applicable, of reference checks, oral interviews, demonstrations and site visits; and
- A description of the price/cost evaluation methodology including the use of scenarios in the evaluation process, to determine costs for specific volumes and/or service levels.

5.6.2 Evaluation Process Steps:

1. An evaluation team will be selected and should include at least three (3) RHRA staff members with subject matter expertise as evaluators and the Corporate Projects Advisor as the Evaluation Administrator;
2. Corporate Projects Advisor will prepare individual evaluation scoring matrix;
3. Individuals participating in the evaluation of bid responses must declare any potential conflict of interest and immediately address any declarations. Evaluation team members must sign the RHRA *Conflict of Interest Declaration* and the RHRA *Non-Disclosure of Confidential Information Agreement*.
4. Corporate Projects Advisor will review submissions to determine if mandatory submission requirements have been met;
5. Evaluation team will meet and each team member will review the submissions and complete an individual evaluation scoring matrix for each submission;
6. Evaluation team will discuss their scoring. Individual scores may be revised following discussion. Final scores for each proponent will be tallied to determine final ranking.
7. Corporate Projects Advisor will complete *RHRA Evaluation Summary form*.

6. Contract Management

6.1 Contract Development

The Corporate Projects Advisor is responsible for Contract management.

The Contract between the RHRA and the successful supplier will be formally defined in a signed written Contract before the provision of the goods and services commences.

The Contract will be finalized using the form of Agreement that was released with the procurement document, where applicable.

When executing the Contract, the RHRA will obtain the supplier's signature before obtaining the designated RHRA signature.

When conducting complex Procurements, the RHRA must consider, as appropriate, the use of contract clauses that permit cancellation or termination at critical project life-cycle stages. The term of the Contract and any options to extend the Contract must be set out in the form of Agreement included in the procurement document.

Changes to the term of the Contract and any options to extend the Contract must be set out in the form of Agreement included in the procurement document. Changes to the term of the Contractor may change the Procurement Value. Extensions to the term of the Contract beyond what is set out in the procurement document are considered Non-Competitive Procurements and appropriate approval authority must be obtained prior to proceeding.

The Corporate Projects Advisor will seek advice and assistance from legal counsel (either internal or external) when drafting contract documents for all complex Procurements.

6.2 Contract Formalization Process Steps

1. Corporate Projects Advisor will notify highest ranked supplier in writing by way of e-mail of their selection;
2. Corporate Projects Advisor will facilitate contract execution as follows:
 - a. For a one-time delivery of a standard commodity:
 - The Corporate Projects Advisor will create a Purchase Order, have it signed by the appropriate RHRA approval authority and forward to selected supplier for signature;
 - Where a draft form of Agreement has been issued with the related procurement document, the Corporate Projects Advisor will complete the form of Agreement by inserting the performance terms, payment provisions and any other terms, as required;
 - The Corporate Projects Advisor will forward form of Agreement to supplier for review, revisions (if required) and signature;
 - Appropriate RHRA Approval Authority will sign Agreement;
 - One copy of Agreement to supplier + one copy to be filed in RHRA procurement records (electronic and paper);
 - b. For complex Procurements where contract negotiations are required:
 - The Corporate Projects Advisor will co-ordinate negotiation process – i.e., schedule meetings, prepare bargaining binder (i.e., all documents and background materials required during the negotiation process), communicate with external resources (e.g., legal counsel, consultants), and conduct negotiations where applicable;

- Contract documents must be reviewed by legal counsel prior to signing in the following circumstances:
 - For complex Procurements;
 - When a non-standard or amended RF(x) template and/or form of Agreement is being used for the Procurement; and
 - If a standard supplier agreement is being used as the form of Agreement.
 - Final Agreement to be signed by supplier and RHRA.
- c. If any changes to the Contract are required after it has been signed, a RHRA Change Request Form must be completed and signed by an appropriate RHRA signing authority and an Amending Agreement must be prepared and signed by the supplier and the RHRA.
3. In managing procurement Contracts, particular attention should be paid to the following:
- All payments for applicable expenses must be in accordance with the *RHRA Expenses Policy*;
 - Any overpayment must be recovered;
 - All assignments must be properly documented;
 - All required approvals must be obtained for any Procurement Value Increases and Agreement Ceiling Price increases or other changes in terms and conditions of the Agreement; and
 - Knowledge transfer to RHRA staff must take place, where applicable.

7. Post Contract Award Notification

The RHRA will inform all participating suppliers of award decisions. When an Invitational Competitive Procurement has been used, notification may be in writing via e-mail. For procurements valued at \$100,000 or more, the RHRA must post Contract award notification in the same manner as the procurement documents were posted (e.g., on *MERX*)

Notification must be posted only after the Agreement between the successful supplier and the RHRA has been executed.

Contract award notification must be posted within 72 days of the award decision and must list the name of the successful supplier, the agreement start and end dates, and any extension options.

7.1 Supplier Debriefing

For Procurements valued at \$50,000 or more, the RHRA will offer an opportunity for a debriefing to all unsuccessful suppliers who participated in the procurement process.

The intent of the debriefing information session is to aid the proponent in presenting a better proposal in subsequent procurement opportunities and is not for the purpose of providing an opportunity to challenge the procurement process.

The Corporate Projects Advisor is responsible for scheduling and conducting debriefings. Suppliers have a right to a debriefing only after the Agreement between the successful supplier and the RHRA has been signed.

(Guidelines for conducting supplier debriefings are provided in Schedule 4.)

7.2 Bid Dispute

The RHRA is required to respond to supplier concerns and seek to resolve bid disputes.

8. Documentation and Records Retention

The RHRA will ensure that all procurement decisions and decision-making processes are recorded to account for and support the reconstruction of facts related to a Procurement. The RHRA must:

- Establish a file naming convention that permits related procurement documents to be associated with each other;
- Retain all procurement records for a period of seven years; and
- Manage procurement Contracts and documentation in a way that ensures that it is able to respond to any requests for information, vendor inquiries, debriefing requests, audits and/or legal challenges in a relevant, reliable, comprehensive and timely fashion.

(A detailed list of procurement process documentation requirements is provided in Schedule 5.)

Schedule 1

Definitions

Agreement: A formal written document entered into at the end of the procurement process.

Agreement Ceiling Price: The total cost for specified goods and/or services as established in a contractual relationship with a third party.

Bid: A proposal, quotation or tender submitted in response to a solicitation from a contracting authority. A bid covers the response to any of the three principal methods of soliciting bids, i.e., Request for Tender, Request for Proposal and Request for Quotation.

Business Case: A document that captures the reasoning for initiating and justifying procurements, projects or tasks.

Commitment: Any agreement, order, renewal or contract amendment which will ultimately commit an organization to make payments. The document to be signed can take the form of a purchase order, contract or other formal legal documents.

Consulting Services: The provision of expertise or strategic advice that is presented for consideration and decision-making.

Contract: Means the aggregate of (a) the form of Agreement including any schedules; (b) the procurement document, including any addenda; (c) the Proposal; and (d) any amendments executed in accordance with the terms of the Contract.

Goods: Moveable property (including the costs of installing, operating, maintaining or manufacturing such moveable property) including raw materials, products, equipment and other physical products.

Informal Procurement Process: A method of procuring goods or non-consulting services by obtaining one (1) to three (3) quotes (telephone and/or email) from suppliers based on stated requirements, performance specifications, terms and conditions.

Invitational Competitive Procurement: A method of inviting at least three (3) suppliers to respond to a request for the supply of goods, consulting or non-consulting services based on stated delivery requirements, performance specifications, terms and conditions.

Non-Competitive Procurement: Non-competitive procurements include Single Source and Sole Source procurement processes.

Non-Consulting Services: Services in which the physical component of an activity would predominate: for example, construction services, temporary help services, printing services, translation services, training/education instructors, and auditing services. Services provided by any licensed professionals

such as doctors, nurses, pharmacists, engineers, architects, chartered accountants, lawyers and notaries in their regulated capacities.

Open Competitive Procurement: A method of inviting all suppliers registered on Ontario's electronic tendering system (MERX) and/or similar means (e.g. Biddingo) to respond to posted procurement documents for the supply of goods, consulting or non-consulting services based on stated delivery requirements, performance specifications, terms and conditions.

Procurement: Acquisition by any means, including by purchase. Rental, lease or conditional sale, of goods, services or construction.

Procurement Value: All costs associated with a contractual relationship with a third party. Where a project involves multiple related procurements, the project's Procurement Value is the cumulative amount of each related procurement.

Procurement Value Increase: Means that the costs and conferred value associated with a procurement initiative have increased following the procurement approval.

Purchase Order: A written offer made by a purchaser to a supplier formally stating all terms and conditions of a proposed transaction.

RFx: RFx is a term used to represent various procurement related competitive documents. The RF stands for Request For and the "x" represents any one of the following:

Request for Expressions of Interest (RFEI): A document used to gather information on supplier interest in an opportunity or information on supplier capabilities/qualifications. This mechanism may be used when an organization wishes to gain a better understanding of the capacity of the supplier community to provide the services or solutions needed. A response to a RFEI must not pre-qualify a potential supplier and must not influence their chances of being the successful proponent on any subsequent opportunity.

Request for Information (RFI): A document issued to potential suppliers to gather general supplier, service or product information. It is a procurement procedure whereby suppliers are provided with a general or preliminary description of a problem or need and are requested to provide information or advice about how to better define the problem or need, or alternative solutions. A response to a RFEI must not pre-qualify a potential supplier and must not influence their chances of being the successful proponent on any subsequent opportunity.

Request for Proposal (RFP): A procurement document used to request suppliers to supply solutions for the delivery of complex products or services or to provide alternative options or solutions. It is a process that uses predefined evaluation criteria in which price is not the only factor.

Request for Quotation (RFQ): A document similar to an RFT where an organization describes exactly what needs to be purchased and the evaluation is based solely on price.

Request for Services (RFS): The document used during the second-stage selection process to request submissions from one or more vendors listed on a services Vendor of Record Arrangement.

Request for Standing Offer (RFSO): A procurement document used to request suppliers to submit an offer to provide goods and/or services at pre-arranged prices, under set terms and conditions, when and if required. A standing offer is not a contract. A contract is created only when the organization issues a purchase order, for the required goods and/or services, against the standing offer. The organization is under no actual obligation to purchase until it issues a purchase order. Standing offers are used to meet recurring needs when an organization is repeatedly ordering the same goods or services or when an organization anticipates a need for goods or services for specific purposes but the actual demand is not known and delivery is to be made when a requirement arises.

Request for Supplier Qualifications (RFSQ): A document used to gather information on supplier capabilities and qualifications, with the intention of creating a list of pre-qualified suppliers. This mechanism may be used either to identify qualified candidates in advance of expected future competitions or to narrow the field for an immediate need. Organizations must ensure that the terms and conditions built into the RFSQ contain specific language that disclaims any obligation on the part of the organization to call on any supplier to provide goods or services as a result of a pre-qualification.

Request for Tender (RFT): A document used to request supplier responses to supply goods or services based on stated delivery requirements, performance specifications, terms and conditions. An RFT usually focuses the evaluation criteria predominantly on price and delivery requirements.

Requisition: A formal request to obtain goods or services made within an organization, generally from end-user to the procurement department.

Segregation of Duties: A method of process control to manage conflict of interest, the appearance of conflict of interest, and errors or fraud. It restricts the amount of power held by any one individual.

Single Source: The use of a non-competitive process to acquire goods or services from a specific supplier even though there may be more than one supplier capable of delivering the same goods or services.

Sole Source: The use of a non-competitive procurement process to acquire goods or services from a specific supplier because there are no other suppliers available or able to provide the required goods or services.

Standardized Terms and Conditions: Contractual terms established as mandatory terms for a prescribed type of Contract.

Supplier Debriefing: A practice of informing a supplier as to why their bid was not selected upon completion of the contract award process.

Supplier/Vendor: Any person or organization which, based on an assessment of that person's or organization's financial, technical and commercial capacity, is capable of fulfilling the requirements of procurement.

Vendor of Record (VOR) Arrangement: A procurement arrangement that authorizes organizations to select a supplier from pre-qualified supplier(s) through a formal second-stage process, for a defined period, on terms and conditions set out in the VOR agreement.

Schedule 2

Management Board of Cabinet Procurement Directive, February 2014 (Excerpt)

4.4.4.2 Allowable Exceptions

Non-competitive Procurement of goods, consulting and non-consulting services are only allowed in the following circumstances, subject to appropriate procurement approvals:

- a) Where an unforeseen situation of urgency exists and the goods, consulting services, or non-consulting services cannot be obtained by means of a competitive procurement process. An unforeseen situation of urgency does not occur where Ministries have failed to allow sufficient time to conduct a competitive procurement process.

Ministries must also see Section 4.4.6 where an unforeseen situation of urgency exists that prevents the ministry from seeking appropriate procurements approvals.

- b) Where goods, consulting or non-consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through a competitive procurement process could reasonably be expected to compromise government confidentiality, cause economic disruption or otherwise be contrary to the public interest.
- c) Where a competitive process could interfere with the government's ability to maintain security or order or to protect human, animal or plant life or health.
- d) Where there is an absence of any bids in response to a competitive procurement process that has been conducted in compliance with this Directive.
- e) Where the Procurement is in support of Aboriginal peoples.
- f) Where the procurement is with a public body.
- g) Where only one supplier is able to meet the requirements of a Procurement in the following circumstances:
 - i. To ensure compatibility with existing products and services. Compatibility with existing products may not be allowable if the reason for compatibility is the result of one or more previous non-competitive Procurements.
 - ii. To ensure exclusive rights, such as exclusive licenses, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representatives.
 - iii. For the procurement of goods and services the supply of which is controlled by a supplier that is a statutory monopoly.

The following additional circumstances in which non-competitive Procurements are allowed only apply to goods and non-consulting services, subject to appropriate procurement approvals.

- h) Where an award is made under a co-operation agreement that is financed, in whole or in part, by an international organization only to the extent that the agreement includes different rules for awarding contracts.

- i) Where construction materials are to be purchased and it can be demonstrated that transportation costs or technical considerations impose geographic limits on the available supply base, specifically in the case of sand, stone, gravel, asphalt compound and pre-mixed concrete for use in the construction or repair of roads.
- a) Where only one supplier is able to meet the requirements of a procurement in the following circumstances:
 - i. To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licenses, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representatives. Compatibility with existing products may not be allowable if the reason for compatibility is the result of one or more previous non-competitive procurements.
 - ii. For the procurement of goods and services the supply of which is controlled by a supplier that is a statutory monopoly.
 - iii. For the purchase of goods on a commodity market.
 - iv. For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor.
 - v. For work to be performed on property by a Contractor according to provisions of a warranty or guarantee held in respect to the property or original work. For a Contract to be awarded to the winner of a design contest.
 - vi. For the procurement of a prototype or a first good/service to be developed in the course of research, experiment, study, or original development but not for any subsequent purchases.
 - vii. For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases.
 - ix. For the procurement of original works of art.
 - x. For the procurement of subscriptions to newspapers, magazines or other periodicals.
 - xi. For the purchase of real property.

Schedule 3
Drafting Procurement Documents

The following guidelines are to be applied during the drafting process:

- Use plain language;
- Define your requirements clearly and concisely in order to avoid variance in bidders' interpretation;
- Where technical language is necessary, segregate it into discrete sections so that it does not interfere with your main idea; and
- Develop the bid evaluation criteria and weighting.

The following information must be included in all procurement documents:

- A description of the required goods or services in generic and/or functional terms specific to the business needs that the good or service will serve, as well as any optional components that are being priced separately;
- A clearly defined pricing structure – e.g., lump sum, unit prices, lump sum or unit prices with price adjustments, time and materials, licence fees;
- Full disclosure of the evaluation criteria and process to be used in assessing submissions;
- The name, telephone number and location of the person to contact for additional information on the procurement documents;
- Conditions that must be met before obtaining procurement documents such as confidentiality agreements, if appropriate;
- The address, date and time limit for submitting responses to procurement documents. Responses received after the closing date and time must be unopened;
- Declaration that the vendor has not given, directly or indirectly, a benefit of any kind to anyone employed by, or otherwise connected with, the RHRA for the purpose of receiving favourable treatment or otherwise obtaining an advantage in connection with a RHRA procurement activity;
- Notice that any confidential information supplied to the RHRA may be disclosed by an order of a court or tribunal or otherwise by law;
- Conflict of interest provisions that:
 - define conflict of interest to include:
 - situations or circumstances that could give a vendor an unfair advantage during a procurement process or compromise the ability of a vendor to perform its obligations under the Agreement;
 - the offer or the giving of a benefit of any kind, by or on behalf of a vendor to

- anyone employed by, or otherwise connected with, the RHRA;
- reserve the right to solely determine whether any situation or circumstance constitutes a conflict of interest;
- reserve the right to disqualify prospective vendors from a procurement process due to conflict of interest;
- require prospective vendors participating in a procurement process to declare any actual or potential conflict of interest;
- require vendors to avoid any conflict of interest during the performance of their contractual obligations with the RHRA;
- require vendors to disclose any actual or potential conflict of interest arising during performance of a Contract;
- reserve the right to prescribe the manner in which a vendor should resolve a conflict of interest;
- allow the RHRA to terminate a 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 the RHRA; and
- allow the Contract to be terminated where a conflict of interest cannot be resolved.
- The form of Agreement the successful supplier is expected to sign. When appropriate, the Agreement should include:
 - Performance terms (i.e., clearly defined requirements, performance standards, warranties and delivery schedules);
 - Payment provisions (i.e., payment structures and schedules) which are clearly connected to the performance terms;
 - Change control provisions;
 - Confidentiality clauses;
 - Insurance and indemnity terms;
 - Limitation of liability clauses;
 - Dispute resolution and termination protocols; and
 - Document retention and audit provisions.
- Other mandatory requirements or information as appropriate.

**Schedule 4
Vendor Debriefing Guidelines**

Scheduling Vendor Debriefing Meetings

- Confirm the date and time of the debriefing in writing;
- Conduct vendor debriefings individually;
- Ensure that the same participants from the RHRA participate in every debriefing conducted;
and
- Retain all correspondence and documentation relevant to the debriefing session as part of the procurement documentation.

Conducting Vendor Debriefings

- Provide a general overview of the evaluation process set out in the procurement document;
- Provide the name of the successful bidder, and the contract start and end date;
- Discuss the strengths and weaknesses of the vendor's submission in relation to the specific evaluation criteria and the vendor's evaluated score. The vendor's evaluation scores and their ranking relative to other vendors may also be provided.
- Provide suggestions on how the vendor may improve future submissions;
- Address specific questions and issues raised by the vendor in relation to their submission;
- If requested by the vendor, provide the names of the other bidders but do not provide any information about other bidder's submissions; and
- Questions unrelated to the procurement process must not be responded to during the debriefing and must be noted as out of scope based on the debriefing process agreed to in the procurement documents.

Schedule 5
Procurement Process Documentation

Procurement process documentation includes, but is not limited to, the following:

- a) A copy of the procurement justification/RHRA *Business Case Form*;
- b) A copy of the RHRA *Purchase Approval Form*;
- c) Information regarding all supplier consultations, including any requests for information, undertaken in the development of the procurement business case and/or procurement documents;
- d) Copies of all procurement documents used to qualify and select the supplier;
- e) Where the procurement was conducted through a Vendor of Record Arrangement, information regarding the second-stage selection process used to select the successful supplier;
- f) Copies of all advertisements of procurement documents;
- g) Copies of all responses, submissions, proposals and bids received in response to procurement documents;
- h) Information regarding any issues that arose during the procurement process;
- i) Information regarding all evaluations of submissions;
- j) Information regarding all supplier debriefings including written documentation of the offer of supplier debriefings, where applicable;
- k) Copies of all award letters, notices, and posted announcements;
- l) Copies of the Agreement(s);
- m) Information regarding all changes to the terms and conditions of the Agreement, including any changes that resulted in an increase in the Contract price;
- n) Information regarding the management of the supplier, including how the supplier's performance was monitored and managed and, where applicable, mechanisms used to transfer knowledge from the supplier to staff;
- o) Risk assessment information and recommendations, where applicable;
- p) Information regarding all disputes or supplier complaints regarding the procurement, including any Contract disputes; and
- q) Evidence of receipt of deliverables.