

GOOD SHEPHERD POLICY MANUAL

DEPARTMENT: Finance

NUMBER: FIN-02.06

TOPIC: Procurement of Goods and Services

PURPOSE: To define the basic framework for procurement activities that will promote transparency and impartiality in accordance with Broader Public Sector (BPS) guidelines.

POLICY: Products and/or services shall be acquired competitively from suppliers who meet the specific requirements and provide the maximum benefit for Good Shepherd and are able to provide the most competitive pricing for the best products, subject to ethical, environmental and legal considerations. Quality of the product, efficiency of delivery, service by the Supplier, and effectiveness of the product shall be taken into consideration in all procurement decisions.

RESPONSIBILITY

- 1.1 The Chief Executive Officer and/or delegate is responsible for:
 - Adhering to all legal and regulatory requirements
- 1.2 Chief Financial Officer and/or delegate is responsible for:
 - Ensuring that BPS regulations are observed
 - Ensuring that all required insurance certificates are obtained
- 1.3 The Finance Department is responsible for:
 - Ensuring there are appropriate approvals for the purchase
- 1.4 The Procurement Officer and Program purchasers are responsible for:
 - Ensuring that purchased goods or service suppliers are obtained at arms-length using a Vendor of Record or
 - Ensuring Procurement policies/procedures are followed and ensuring all purchases are authorized in accordance with policy

2.0 DEFINITIONS

- 2.1 **“At Arms-Length”** means two parties freely and independently acting in the interests of their agency/firm and not subject to any pressure from the other party.
- 2.2 **“BPS Expense Directive”** means requirements for Broader Public Sector organizations to establish expense rules where expenses are reimbursed from public funds.
- 2.3 **“BPS Procurement Directive”** means requirements for Broader Public Sector organizations to establish procurement rules where purchases are made from public funds.
- 2.4 **“Consulting Services”** means a person or entity that provides expert or strategic advice and related services for consideration and decision-making.
- 2.5 **“Emergency”** means a circumstance in which an immediate purchase is necessary to prevent a serious delay which could result in a danger to life, damage to property or suspension of the provision of an essential service.
- 2.6 **“Invitational Competitive Procurement”** means requesting a minimum of three qualified suppliers to submit a written proposal based on the requirements outlined. The request may take the form of email, phone call or other method to solicit bids. A “no bid/decline” response may be considered as a valid bid.

- 2.7 **“Low \$ Value Informal Procurement”** means routine purchases of a low-dollar and low-risk nature (under \$1000) procured through retail purchasing or supplier catalogue ensuring that the best value for funds is expended. Obtaining three competitive quotes for items over \$3000 is required.
- 2.8 **“Non-Consulting Services”** means a person or entity retained for the provision of assistance to others to complete a required task or for the creation, installation, maintenance or repair of goods or other property.
- 2.9 **“Open Competitive Procurement”** means a formal tendering process is undertaken to solicit bids. The intent is to solicit fair, impartial competitive bids.
- 2.10 **“Price”** means verbally obtained, advertisement or catalogue citation of cost.
- 2.11 **“Purchased Goods”** means physical or tangible items that can be produced, bought and sold.
- 2.12 **“Request for Quotation”** means a document that describes what needs to be purchased and the evaluations are based solely on price.
- 2.13 **“Request for Tender”** means a document that describes what needs to be purchased and the evaluations are based on price and delivery requirements.
- 2.14 **“Request for Proposal”** means a document that request suppliers to provide solutions for the delivery of complex products or services or to provide options or solutions. The evaluation uses an evaluation criteria where price is not the only factor.
- 2.15 **“Sole Sourcing”** means organizations may conduct non-competitive procurement if the good or service is available from and/or is unique to one supplier.
- 2.16 **“Single Sourcing”** means organizations may conduct non-competitive procurement in special circumstances as outlined in Appendix A if they do not do so for the purpose of avoiding competition between suppliers or to discriminate against suppliers.
- 2.17 **“Vendor of Record”** means vendor of goods and services that the Ontario government and/or Good Shepherd has negotiated a contract or agreement with set terms, conditions and/or pricing over a fixed period. This arrangement authorizes the purchaser to select a supplier from the pre-qualified supplier list.

3.0 ADHERENCE TO ONTARIO BROADER PUBLIC SECTOR (BPS) SUPPLY CHAIN CODE OF ETHICS

Goal: To ensure an ethical, professional and accountable BPS Supply Chain

3.1.1 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.

3.1.2 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 participant must ensure that public sector resources are used in a responsible, efficient and effective manner.

3.13 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.

4.0 GENERAL CONDITIONS

Good Shepherd is committed to procuring high quality products and services through the most cost-effective, efficient and sustainable means possible. Thus, procurement shall be in accordance with the principles, procedures, and guidelines outlined in this document.

Note that when the value exceeds \$1000, proof of the procurement process being followed are required to be forwarded to Finance.

4.1 Procurement Threshold Guidelines

Goods, Non-Consulting Services and Construction			
Total Procurement Value	Means of Procurement	Procurement Procedure	Recommended/ Required
\$0 up to but not including \$100	Petty cash/credit card	Judgement/vendor of record	Recommended
\$100 up to but not including \$1,000	Purchase Requisition /Credit Card	2 verbal/advertised/Vendor of Record	Recommended
\$1,000 up to but not including \$3,000	Purchase Requisition, exceptional use of credit card	At least 2 verbal/advertised prices or Vendor of Record	Required
\$3,000 up to but not including \$10,000	Purchase Requisition,	At least 3 advertised/written prices	Required
\$10,000 up to but not including \$121,200	Purchase Requisition/RFP	Invitational competitive procurement (minimum of three suppliers are invited to submit a bid) Contractual Agreement with holdback on Services and Construction	Required
\$121,200 or more	Purchase Requisition /RFP	Advertised open competitive process Contractual Agreement with holdback on Services and Construction	Required
Consulting Services			
\$0 up to but not including \$121,200	Contractual Agreement may have last payment tied to deliverables	Invitational or open competitive process	Required
\$121,200 or more	Contractual Agreement must have last payment tied to deliverables	Open competitive process	Required

All transactions are subject to the Ontario Procurement Restriction Policy outlined by the Ontario government. It is currently in force as a response to US tariffs on Canadian products and Services

- Public sector entities must exclude US businesses from procurements
- Procuring from US businesses is allowed only when:
 - It is the only viable source of goods and services, and the procurement can't be delayed
 - Both conditions must be met

US business means a supplier, manufacturer or distributor of any business structure (includes a sole proprietorship, partnership, corporation or other business structure) that:

- Has its headquarters or main office located in the US and
- Has fewer than 250 employees in Canada at the time of the applicable procurement process.

The following transactions are not subject to the thresholds noted above but are subject to the exclusion of US goods or services:

- Payments to regulatory agencies
- Staff professional development and training
- Travel and hospitality

- Utilities and tenant lease payments
- Medical and legal professional services
- Information technology license fees
- Publications and advertising
- Membership fees
- Realtor and Appraisal services
- Temporary staffing agencies
- Acquisition of products/services cooperatively with other not-for-profit agencies, government agencies and/or procurement cooperatives for reasons of leveraged purchasing

4.2 Other Exemptions

In addition to the procurement threshold guidelines detailed above, non-competitive purchases may be allowed on an exemption basis exclusively for reasons of emergency or single sourcing. In these circumstances a Request to Waive (RTW) Exemption form (Appendix A) must be completed and approved.

4.3 Purchases in Excess of \$121,200

Departments shall contact the Procurement Manager for a determination of the most appropriate acquisition method. Where a formal competitive process is required, Procurement Services shall manage the acquisition process, including but not limited to, the choice of the most appropriate competitive process (e.g. Request for Quotation (RFQ), Request for Proposal (RFP), or Request for Tender (RFT)

PROCEDURE

None

5.0 DOCUMENTATION

Original documentation will be retained by the Procurement Manager within the Finance Department.

6.0 REFERENCE SOURCES

Procurement Guideline for Publicly Funded Organizations in Ontario
 Broader Public Services Expenditure Directive
 Local Health Integration Network M-SAA
[Procurement Restriction Policy | ontario.ca](https://www.ontario.ca/procurement-restriction-policy)

APPROVED BY:	Staff Director's Meeting
EFFECTIVE DATE:	August 31, 2015
DATE OF LAST REVIEW/REVISION:	September 19, 2025
SUPERCEDES:	September 13, 2024

APPENDIX A
GOOD SHEPHERD REQUEST TO WAIVE (RTW) THE COMPETITIVE BID PROCESS
ALLOWABLE EXEMPTIONS, EXCEPTIONS OR NON APPLICATIONS

The Request to Waive submission must be completed by the Director/Department Head. Please select the applicable condition(s) from the list below and submit this form and any supplier documents to the Procurement Office.

The following is a list of applicable exemptions, exceptions and non-application clauses that are allowable.

Exceptions – Circumstances for Exclusions

_____Where an unforeseeable emergency or urgency exists and the goods, services or construction cannot be obtained in time by means of regular procurement procedures.

_____Where goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open competitive process could reasonably be expected to compromise confidentiality, cause economic disruption or otherwise be contrary to the interest of the entity.

_____Where construction materials are to be purchased and it can be demonstrated that transportations costs or technical considerations impose geographic limits on the available supply base ie asphalt.

_____The absence of a receipt of any bids in response to a request for competitive bid.

Exceptions – Circumstances for Single Source Supplier Procurement

_____Where there is an absence of competition for technical reasons and the goods and/or services can be supplied only by a particular supplier and no alternative or substitute exists.

_____For the procurement of goods and/or services, the supply of which is substantially funded by another organization that has determined the supplier.

_____For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor.

_____For work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work.

_____For the purchase of goods under exceptionally advantageous circumstances, such as bankruptcy or receivership, but not for routine purchases.

By approving this Request to Waive, you acknowledge that you have the authority to attest to the fact that one or more of the exception conditions exist for the non-application of a competitive bid.

Please print

Description of Goods/Service:

Supplier Name: _____

Department Head Name: _____

Signature: _____

Date: _____

Authorization: _____

Date Received: _____

Authority to approve or reject the Requests to Waive competitive bid process is the responsibility of the CFO and/or delegate.