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## PREAMBLE

The Ministry of Finance, Ontario, introduced the Supply Chain Guidelines in April 2009. The purpose was to support and improve Ontario's Broader Public Sector (BPS) supply chain activities.

In March 2008, Ontario's Treasury Board of Cabinet directed that a Supply Chain Guideline be prepared and as of April 1, 2009, be incorporated into the funding agreements of BPS organizations receiving more than \$10 million per fiscal year from the Ministries of Health and Long-Term Care, Education and Training, Colleges and Universities.

Effective April 1, 2011, the BPS Procurement Directive replaces the BPS Supply Chain Guidelines issued by the Ministry of Finance in 2009.

The Directive applies to all designated BPS organizations as provided for under Section 12 of the Broader Public Sector Accountability Act, 2010.

**For SHIP, the Directive applies commencing January 1, 2012.**

## ACCESSIBILITY OBLIGATIONS

SHIP will incorporate accessibility criteria and features when procuring or acquiring goods, services or facilities and will also, upon request, provide procurement documents in French.

## PURPOSE

The purpose of the Directive is:

- To ensure that publicly funded goods and services, including construction, consulting services, and information technology are acquired by BPS organizations through a process that is open, fair and transparent;
- To outline responsibilities of BPS organizations throughout each stage of the procurement process; and
- To ensure that procurement processes are managed consistently throughout the BPS.

## PRINCIPLES

The Directive is based on the five key principles that allow organizations to achieve value for money while following a procurement process that is fair and transparent to all stakeholders:

- **Accountability**  
Organizations must be accountable for the results of their procurement decisions and the appropriateness of the processes.
- **Transparency**  
Organizations must be transparent to all stakeholders. Wherever possible, stakeholders must have equal access to information on procurement opportunities, processes and results.



## PRINCIPLES (Continued)

- **Value for Money**

Organizations must maximize the value they 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 provided by Organizations, such as teaching and patient care, 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.

## SUPPLY CHAIN CODE OF ETHICS (CODE)

The Supply Chain Code of Ethics does not supersede SHIP's code of ethics but supplements it with supply chain-specific standards of practice.

SHIP has formally adopted the Code in accordance with its governance processes. The policy intent establishes that the conduct of all SHIP staff involved with supply chain activities must be in accordance with the Code.

This Code will be made available and visible to all members of SHIP, its suppliers and other stakeholders involved with supply chain activities. Please refer to Section 2, Page 5 – SHIP Procurement Code of Ethics.

## MANDATORY REQUIREMENTS

The Boarder Public Sector Procurement Directive sets out twenty-five policy and procedural requirements that make up the mandatory requirements for a Procurement policy. The mandatory requirements are:

### Approval Authority Levels

1. Segregation of Duties
2. Approval Authority

### Procurement Thresholds

3. Competitive Procurement Thresholds

### Competitive Procurement

4. Information Gathering
5. Supplier Pre-Qualification

### Purchasing

6. Posting Competitive Procurement Documents
7. Timelines for Posting Competitive Procurements

## **MANDATORY REQUIREMENTS** (Continued)

### **Evaluation**

8. Bid Receipt
9. Evaluation Criteria
10. Evaluation Process Disclosure
11. Evaluation Team
12. Evaluation Matrix
13. Winning Bid
14. Non Discrimination

### **Contract Award**

15. Executing the Contract
16. Establishing the Contract
17. Termination Clauses
18. Term of Agreement Modifications
19. Contract Award Notification
20. Vendor Debriefing

### **Non-Competitive Procurement**

21. Non-Competitive Procurement

### **Procurement Documents and Records Retention**

22. Contract Management
23. Procurement Records Retention

### **Conflict of Interest**

24. Conflict of Interest

### **Dispute Resolution Process**

25. Bid Dispute Resolution

## **POLICY**

The purpose of this policy and related procurement procedures is to provide clear guidance regarding the procurement of goods and services by authorized staff in order to ensure ethical, efficient and accountable sourcing, contracting and purchasing activities within SHIP. Clear and specific policies and procedures support Supply Chain Code of Ethics compliance; enables the efficient and effective execution of supply chain tasks; mitigates risk and helps SHIP meet its organizational, financial and accountability obligations.

- Products and services will be acquired competitively from suppliers who meet the specific requirements and provide the maximum benefit and are able to provide the most competitive pricing for products and services.
- All acquisitions shall be compliant with provincial and federal laws, trade agreements and related SHIP policies and procedures.

## POLICY (Continued)

- Business conducted with suppliers will be carried out in an honest and professional manner, in good faith, and will be free from any obligation or conflict of interest.
- SHIP will ensure consideration is given to the costs and benefits of environmentally friendly alternatives. Preference will be given to items of similar cost that are manufactured with a high recycled content and/or to items which can be manufactured, used and disposed of in an environmentally friendly way.
- Decline personal gifts from suppliers, other than those of nominal value, and not exceeding \$100.00.

The benefits of the procurement policies and procedures are:

**Financial Stewardship** – Focus on value for money with respect to both supply chain transactions and processes.

**Process Efficiency** – Elimination of redundant, non-value-added activities within the overall procurement cycle, maximizing service efficiency.

**Customer Service** – Provides SHIP staff, suppliers and other stakeholders with a clear path for conducting supply activities, improving staff confidence and satisfaction.

**Risk Management** – Reduces business risk and the potential for conflicts internally with colleagues and externally with partners.

**Employee Productivity/Satisfaction** – Provides clear direction and expectations for employees, improving productivity and morale.

**Supplier Relationships** – Establishes consistent processes and expectations for working with suppliers, enhancing relationships.

## ACCOUNTABILITY

SHIP's procurement policies and procedures are endorsed by SHIP's Senior Executive Team and the Board of Directors. Senior Management is responsible for working with the Manager, Quality Assurance, to ensure compliance with these policies and procedures and to determine appropriate measures in the event of non-compliance.

All departments and programs are expected to support this policy in accordance with the established procedures and guidelines contained herein.

Compliance mechanisms will be utilized to ensure that staff are complying with the mandatory requirements.

Procurement activities will be conducted according to the law in Ontario, including contract law, law of competitive processes, privacy legislation, accessibility legislation and any other applicable legislation. SHIP will utilize the BPS Procurement Directive Toolkit (including checklists and templates) located on the Ontario Ministry of Finance web site.



## SERVICES AND HOUSING IN THE PROVINCE (SHIP)

969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

### Policies and Procedures Manual

**Policy Title** SHIP Procurement Code of Ethics **Date** January 1, 2012

**Sect No.** 20 **Rev No.** \_\_\_\_\_

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

SHIP's Procurement Code of Ethics is an integral part of SHIP's Procurement of Goods and Services Policies, Procedures and Guidelines. SHIP's procurement practices are guided by this Code of Ethics and the Ontario Broader Public Sector (BPS) Supply Chain Code of Ethics.

### Policy

SHIP's procurement principles and practices shall be consistent with applicable provincial and federal laws. All acquisitions will be compliant with provincial and federal laws, trade agreements and related SHIP policies, procedures and guidelines. SHIP's procurement functions will be performed in an open, fair, transparent and competitive manner in order to promote the values of sustainability, fair trade and social responsibility while maximizing cost savings.

Every transaction that SHIP enters into must be able to withstand public scrutiny without the risk of causing embarrassment to SHIP or its employees. As such, any breach of this policy will be cause for appropriate disciplinary action, up to and including dismissal.

### Procedures

To ensure compliance, SHIP's Procurement Code of Ethics:

- Is formally endorsed by the Board of Directors;
- Is distributed to all staff involved with supply chain activities;
- Is communicated to all individuals who are involved with purchasing and other supply chain-related activities, such as requisitioning or supplier or product evaluation;
- Is visible in procurement departments or their equivalents; and
- Is easily accessible in an electronic format to all of SHIP's staff, suppliers and other stakeholders.



## PROCUREMENT CODE OF ETHICS

SHIP's Procurement Code of Ethics is integral to SHIP's Procurement of Goods and Services Policies, Procedures and Guidelines. SHIP's procurement practices are guided by this Code of Ethics and the Ontario Broader Public Sector (BPS) Supply Chain Code of Ethics.

SHIP's procurement principles and practices shall be consistent with applicable provincial and federal laws. All acquisitions will be compliant with provincial and federal laws, trade agreements and related SHIP policies, procedures and guidelines. SHIP's procurement functions will be performed in an open, fair, transparent and competitive manner in order to promote the values of sustainability, fair trade and social responsibility while maximizing cost savings.

### Ontario Broader Public Sector (BPS) Supply Chain Code of Ethics

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

#### 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 other stakeholders. 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.

#### Accountability and Transparency

Supply Chain Activities must be open and accountable. In particular, contracting and purchasing 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.

#### 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.

At a meeting held on December 21, 2011, SHIP's Board of Directors formally adopted  
The Procurement Code of Ethics.

Cross-reference to Related Policies		Date	
Related Forms		Date	



## SERVICES AND HOUSING IN THE PROVINCE (SHIP)

969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

### Policies and Procedures Manual

**Policy Title** Segregation of Duties **Date** January 1, 2012  
BPS Procurement Directive Mandatory Requirement #1

**Sect No.** 20 **Rev No.**

### Approvals

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<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

Effective procurement protocol includes both the delegation of authority and segregation of duties across functions and individuals. This ensures the integrity of the process by reducing exposure to inappropriate, unauthorized or unlawful expenditures.

### Policy

Segregation of duties prevents any one person from controlling the entire purchasing process by segregating approvals for the key stages of the procurement process. Responsibilities for these roles at SHIP lies with different departments, or at a minimum, with different individuals.

### Procedures

Roles	Explanation	Who
Requisition	Request made to Department/Program Manager or Sr. Manager to place an order.	Department requesting the product or service.
Budgeting	<ul style="list-style-type: none"><li>Authorize funding is available for goods or services valued less than \$1,000</li><li>Authorize funding is available for goods or services valued at \$1,000 to less than \$5,000</li><li>Authorize funding is available for goods or services valued at under \$10,000 (Housing &amp; Operations Only)</li><li>Authorize funding is available for goods or services valued at under \$1,000,000</li><li>Authorize funding is available for goods or services valued at over \$1,000,000</li></ul>	Program/Department Manager  Senior Management Staff/Executive Assistant Housing & Operations Manager  C.O.O. and/or C.E.O.  Board of Directors
Commitments	Verification if a Vendor of Record or Shared Procurement Contract is available	Manager, Quality Assurance
Receipt	Verify order was received, correct and complete.	Staff other than the requestor or approval authority receiving the goods.
Payment	Authorize release of payment to the supplier.	Signing Authority
Cross-reference to Related Policies		Date
Related Forms		Date



## SERVICES AND HOUSING IN THE PROVINCE (SHIP)

969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

### Policies and Procedures Manual

**Policy Title**      Approval Authority      **Date**      January 1, 2012

- Goods and Non-Consulting Services
- Consulting Services

**BPS Procurement Directive Mandatory Requirement #2**

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**Sect No.**      20      **Rev No.**      \_\_\_\_\_

### Approvals

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<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

SHIP has developed an Approval Authority Schedule (AAS) for the procurement of goods and non-consulting services and consulting services. On December 21, 2011, the AAS was approved by SHIP's Board of Directors.

### Policy

In combination with the segregation of duties, controls are in place to identify the approvals required for various dollar levels of purchasing.

Prior to commencement, any procurement of goods and non-consulting services must be approved by an appropriate authority in accordance with SHIP's AAS outlined below. The following forms must be completed for procurements valued at \$1,000 – under \$5,000 and \$5,000 to under \$25,000.

1. Procurement Approval Form for Procurements Valued at \$1,000 – Under \$5,000
2. Procurement Approval Form for Procurements Valued at \$5,000 – Under \$25,000

The Procurement Business Case is required to be completed for all competitive and non-competitive procurement initiatives valued at \$5,000 or more.

## Procedures – Goods & Non-Consulting Services

**\*\* In addition to the delegation of signing authority for the procurement of Goods and Non-Consulting & Consulting Services below, please refer to SHIP Policy & Procedure Manual Section 7 – Signing Authority. \*\***

<b>Procurement Approval Authority Schedule (AAS) for Goods &amp; Non-Consulting Services</b>	
<b>Total Purchase Amount</b>	<b>Delegated Purchasing Approval Authority Level</b>
Under \$1,000	Program Manager Executive Assistant
\$1,000 – under \$5,000	Sr. Manager, Client Services Sr. Manager, Intake & Admissions Sr. Manager, Information Systems Executive Assistant
Under \$10,000 (for Housing & Operations Only)	Housing & Operations Manager
<b>Any two of the following persons are authorized to sign cheques, instructions, agreements and documents on behalf of SHIP with regards to direct financial or for the procurement of goods and services:</b>	
Under \$5,000	Director, Finance Director, Human Resources Executive Assistant
Under \$1,000,000	Chief Operating Officer Chief Executive Officer
Unlimited	President and Chairman, Board of Directors Treasurer, Board of Directors Vice-Chairman, Board of Directors Secretary, Board of Directors

**\*\* A “non-consulting service provider” is an individual/company who contracts to provide services, other than consulting services to another individual or business.**

## Procedures – Consulting Services

The Procurement Directive defines “Consultant” as a person or entity that under an agreement, other than an employment agreement, provides expert or strategic advice and related services for consideration and decision-making. Further, the Directive defines “Consulting Services” as the provision of expertise or strategic advice that is presented for consideration and decision making.

Whether a service in question is deemed consulting service should be determined by the nature of the service procured and not by the designated profession being represented.

Services provided by licenced professionals may constitute consulting services. Where SHIP is seeking to obtain expertise or strategic advice for consideration and decision-making,



notwithstanding the designated profession providing the service, SHIP is seeking to obtain consulting services. Under these circumstances, SHIP must utilize competitive procurement irrespective of the value of the procurement.

At the same time, procurement of services that in Ontario may, by legislation or regulation, be provided only by any of the following licenced professionals: medical doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, accountants, lawyers and notaries, does not constitute consulting services. SHIP must clearly delineate between professional services that are providing expertise or strategic advice for consideration and decision-making and professional services that fall outside this scope.

Individuals or organizations may identify themselves as “consultants”, but provide non-consulting services. These are services that do not provide expert or strategic advice for consideration and decision-making, but rather deliver a more tangible product/service. In these situations, SHIP must conduct the procurement activities consistent with their requirements for goods and non-consulting services.

It is up to SHIP to determine whether the services it requires are consulting services or not.

Prior to commencement, any procurement of consulting services must be approved in accordance with the Procurement Approval Authority Schedule for Consulting services below. Procurement approvals cannot be delegated to a lower organizational level.

<b>Procurement Approval Authority Schedule (AAS) for Consulting Services</b>		
<b>Procurement Method</b>	<b>Procurement Value</b>	<b>Approval Authority</b>
Invitational Competitive	\$0 up to but not including \$100,000	C.O.O. or C.E.O.
Open Competitive	Any value	C.O.O. or C.E.O.
Non-competitive * (Exemption based only)	\$0 up to but not including \$1,000,000	C.E.O. or next in command only in situations where the C.E.O. is absent and all C.E.O. responsibilities are delegated
	\$1,000,000 or more	Board of Directors (as assigned only)

**\* Consulting services cannot be procured through an informal procurement process.**

SHIP will not reduce the overall value of procurement (eg. dividing a single procurement into multiple procurements) in order to circumvent the approval requirements of AAS for Goods and Non-Consulting Services or the AAS for Consulting Services.

Cross-reference to Related Policies	SHIP Policy & Procedures Manual Section 7 - Finance	Date	
Related Forms	<ol style="list-style-type: none"> <li>1. Procurement Approval Form for Procurements Valued at \$1,000 – Under \$5,000</li> <li>2. Procurement Approval Form for Procurements Valued at \$5,000 – Under \$25,000</li> <li>3. Procurement Business Case</li> </ol>	Date	Jan. 1, 2012



**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

Policies and Procedures Manual

**Policy Title** Competitive Procurement Thresholds **Date** January 1, 2012  
BPS Procurement Directive Mandatory Requirement #3

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### Approvals

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<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

To ensure that SHIP implements ethical, efficient and accountable sourcing, contracting and purchasing activities on a day-to-day basis.

### Policy

SHIP will conduct an open competitive procurement process where the estimated value of procurement of goods or services is \$25,000 or more. The exemptions must be in accordance with applicable trade agreements.

### Procedures

Procurement planning is an integral part of the procurement process. It allows SHIP to determine:

- The goods and services necessary to meet business requirements;
- To monitor the annual amount spent on goods and/or services in order to create efficiencies and maximize value for money;
- Potential supply sources;
- Procurement methods;
- The necessary approvals and timing of when these approvals will be required; and
- The overall time necessary to complete the procurement process.

Non-competitive procurement processes are those that do NOT require SHIP to formally invite bidders (<\$5,000).

Competitive procurement processes are those that require SHIP to invite bidders.

## Procedures (Continued)

In either instance, before the process begins, the Manager, Quality Assurance should be consulted to advise whether or not a Vendor of Record or Shared Procurement Initiative is available.

The following defines the acceptable procurement value thresholds in order to determine when competitive/non-competitive processes will apply.

<b>Goods, Non-Consulting Services &amp; Construction</b>		
<b>Total Procurement Value</b>	<b>Means of Procurement</b>	<b>Recommended / Required</b>
\$0 up to but not including \$25.00	Petty Cash	Recommended
\$25.00 up to but not including \$100.00	Procurement (Credit) Card	Recommended
\$100.00 up to but not including \$5,000	1. Purchase Order; or 2. Procurement (Credit) Card and Purchase Order	Required
\$5,000 up to but not including \$25,000	Invitational competitive procurement (minimum of three suppliers invited to bid)	Required LHIN or MOHLTC approval is required for any capital purchase over \$5,000.
\$25,000 or more	Open competitive process	Required per LHIN
Major Capital Expenses \$100,000 or more	Required: Open Competitive Process Major capital funding for building renovations can be applied for to another source of funding within the MOHLTC. To qualify for this funding, SHIP must first submit a proposal using the Capital Project Request Form to the LHIN for confirmation of support or endorsement and then to the MOHLTC copying the LHIN.	

<b>Consulting Services</b>		
<b>Total Procurement Value</b>	<b>Means of Procurement</b>	<b>Recommended / Required</b>
\$0 up to but not including \$100,000	Invitational or open competitive process	Required
\$100,000 or more	Open competitive process	Required

**\* Consulting services cannot be procured through an informal procurement process.**

SHIP will not reduce the overall value of the procurement (eg. dividing a single procurement into multiple procurements in order to circumvent competitive procurement thresholds).

Cross-reference to Related Policies		Date	
Related Forms		Date	



**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

Policies and Procedures Manual

**Policy Title** Information Gathering **Date** January 1, 2012  
BPS Procurement Directive Mandatory Requirement #4

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

Information gathered will assist SHIP to plan a fair and cost-effective procurement process, define the requirements for the procurement documents, or identify whether there are qualified and/or interested suppliers.

### Policy

Information gathering mechanisms are useful for situations where SHIP has incomplete information about either the procurement that it requires or the capabilities of the market to deliver the material, service or the solution required. SHIP may use the tools of the Request for Information (RFI) and Request for Expressions of Interest (RFEI) for the gathering of information which could potentially lead to the development of a Request for Proposals (RFP), Request for Quote (RFQ), Request for Supplier Qualifications (RFSQ) and Vendor of Record (VOR) in the future. SHIP will use electronic methods for RFI's and RFEI's as appropriate.

### Procedures

#### ***Request for Information (RFI)***

The purpose of an RFI is to gather general supplier or product information. An RFI may be used when SHIP is researching a contemplated procurement and has not yet determined what characteristics or features the ideal situation would have.

Responses to RFI questions normally contribute to the final version of a subsequent Request for Proposal (RFP) and may include targeted questions about the required output, acquisition, seeking combinations or industry leading practices, suggestions, expertise and even concerns and additional questions from proponents. The document will not ask for proprietary information.

## Procedures (Continued)

### ***Request for Expressions of Interest (RFEI)***

The purpose of an RFEI is to gather information on supplier interest in an opportunity or information on supplier capabilities/qualifications. It may not ask for proprietary information from suppliers. This may be used when SHIP wishes to gain a better understanding of the capacity of the supplier to provide the services or solutions needed. Information gathered can also assist in selecting the best possible competition method for a follow-up competition.

### ***Request for Quote (RFQ)***

The purpose of an RFQ is to request suppliers to provide pricing for the delivery of goods or services. This document is used for procurements valued at \$1,000 up to but not including \$25,000.

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The following table outlines when SHIP will implement the use RFI's and RFEI's:

Information Required	RFI / RFQ	RFEI
General supplier or product information	X	
Information on supplier interest in the opportunity		X
Information on supplier capability/qualifications		X

In the event that a RFI and/or (RFEI) is implemented, the RFI or RFEI will not:

- Contain means of evaluating or comparing the collected information;
- Be used to pre-qualify a potential supplier;
- Result in the award of work;
- Result in a legal contract with a proponent. SHIP will ensure that care is taken to avoid language that may create a commitment or liability on the part of SHIP; and
- Require suppliers to provide proprietary information. In the event that proprietary information is included, suppliers should identify any trade secrets or proprietary intellectual property and ask SHIP to sign a non-disclosure agreement. This will ensure confidentiality and protection of intellectual property. A supplier should indicate in its proposal which part is a trade secret and cannot be disclosed under the Ontario Freedom of Information and Protection of Privacy Act or the Municipal Freedom of Information and Privacy Act.

Cross-reference to Related Policies		Date	
Related Forms		Date	



**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

Policies and Procedures Manual

**Policy Title**      Supplier Pre-Qualification      **Date**      January 1, 2012  
                                 BPS Procurement Directive Mandatory Requirement #5

**Sect No.**              20      **Rev No.**      \_\_\_\_\_

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

A Request for Supplier Qualification (RFSQ) enables SHIP to gather information about supplier capabilities and qualifications in order to pre-qualify suppliers for an immediate product or service need or to identify qualified candidates in advance of expected future competitions (Vendor of Record/Preferred Supplier List).

Terms and conditions of the RFSQ document must contain language that disclaims any obligation of SHIP to call on any supplier to provide goods or services as a result of pre-qualification.

### Policy

An RFSQ can be used to understand which potential proponents have the capabilities that SHIP requires, as the first stage in a two stage solicitation, followed by either a Request for Proposal or a Request for Tender, whereby only pre-qualified suppliers will be invited to respond to the actual competition. This can be used for the purpose of a single procurement.

An RFSQ can also be used to pre-qualify suppliers who are interested in supplying materials or services in the future. The result of this procedure is a Vendor of Record (VOR) or a preferred suppliers list.

# Procedures

An RFSQ document:

- Specifically defines the type of goods or services included as part of the process and sets upper limits to the value of future awards.
- Clearly indicates the time duration the list is to be valid.
- Identifies the method(s) by which suppliers can be placed on the list.
- Indicates at what specific intervals opportunities for being qualified will come up.
- Specifies that suppliers who do not participate in the pre-qualification or do not appear on the list may be excluded from opportunities.
- Must contain language that disclaims any obligation of SHIP to call on any supplier to provide goods or services as a result of pre-qualification.

The following table outlines when SHIP will implement the use RFI's, RFEI's and RFSQ's:

Information Required	RFI	RFEI	RFSQ
General supplier or product information	X		
Information on supplier interest in the opportunity		X	
Information on supplier capability/qualifications		X	X
Pre-Qualified suppliers' list desired			X

## ***Vendor of Record (VOR) / Preferred Supplier List***

A VOR also called a Preferred Supplier List, is used to reduce costs by establishing strategic relationships with a small group of suppliers. The premise is that SHIP will try to focus as much procurement through its VOR or preferred suppliers where typically the best price is achieved.

SHIP will utilize the VOR arrangements with Shared Services West and the Ministry of Government Services whereby many VOR's have been established. These VOR's allows SHIP to view the lists of VOR arrangements and to identify opportunities to leverage those arrangements.

Not all contracts established by the Ministry of Government Services (MGS) and listed on the MGS Supply Chain Management (SCM) website (<http://www.doingbusiness.mgs.gov.on.ca>) are open to SHIP and for those that are open to SHIP, preferred pricing may not apply.

SHIP will establish organization specific VOR arrangements for the supply of a certain category of goods, services or construction. The VOR arrangement may only be established through an open and competitive procurement process and requires appropriate approval authority. SHIP's VOR will be for the exclusive use of SHIP and may not be utilized by any other organization and will be maintained jointly by the C.O.O. and the Manager, Quality Assurance.

## Procedures (Continued)

A VOR arrangement requires a second-stage selection process to assist SHIP in obtaining best value for its money. Given that a competition has already occurred to establish all VOR arrangements, the second-stage selection process will only address the goods, services or construction project to be procured, including specific needs and issues for a particular assignment or project, such as contract price, the resources to be assigned, availability and timelines to complete the assignment or project.

SHIP may use its VOR or Preferred Supplier List for competitive procurements provided that:

1. The opportunity to register on the VOR list has been advertised competitively on an electronic tendering system;
2. A supplier that meets the conditions of registration on the VOR list is able to register at any time; and
3. All registered suppliers in a given category are invited to respond to all calls for competitive procurement in that category.

SHIP will ensure that it is receiving preferred pricing from its suppliers as this is one of the primary reasons for having this arrangement. In return for the opportunity of being on SHIP's preferred list, the supplier offers preferred pricing.

### ***Second-Stage Selection Process***

To ensure SHIP obtains optimum value for money from individual procurements under VOR arrangements, SHIP must conduct a second stage selection process. All VOR arrangements must identify methods of conducting the second-stage selection process based on dollar thresholds of a single procurement. Where the second-stage of the selection process warrants invitation of only one supplier to submit a proposal, SHIP will evenly distribute individual procurement opportunities over time between the suppliers.

The following schedule outlines the minimum number of suppliers to be invited to submit bids based on the dollar value of procurement.

<b>Total Procurement Value</b>	<b>Minimum Number of Suppliers to be Invited to the Second-Stage Selection Process</b>
\$0 up to but not including \$5,000	1 – 3
\$5,000 up to but not including \$25,000	3 (Invitational competitive procurement)
\$25,000 +	Open competitive procurement process

All suppliers on the VOR list must be invited to participate in the invitational procurement process if there are fewer members on the VOR list than in the schedule above.

Cross-reference to Related Policies		Date	
Related Forms		Date	





## SERVICES AND HOUSING IN THE PROVINCE (SHIP)

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### Policies and Procedures Manual

**Policy Title** Posting Competitive Procurement Documents/Bid Security  
BPS Procurement Directive Mandatory Requirement #6 **Date** January 1, 2012

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

A Request for Proposal or Request for Tender implementation is mandatory for the sourcing of procurement contracts valued at \$25,000 or more and shall be made through an open electronic public tendering system that is readily accessible for all Canadian suppliers.

### Policy

For transparency and openness, SHIP will utilize the Ontario Public Sector contract currently in place with MERX™ ([www.merx.com](http://www.merx.com)) to post all Requests for Proposal or Requests for Tender to alert all suppliers to the competition. SHIP will develop competitive documents that will be provided to potential proponents to explain SHIP's requirements.

### Procedures

Competitive documents will include a description of the needed goods, services, or construction in generic or functional terms specific to the business needs that the goods or services will serve in all procurement documents. When the use of non-generic or non-functional terms is appropriate, the specifications must deal with performance requirements and exclude all features that could unfairly advantage certain suppliers. For IT procurements, SHIP will express requirements in terms of its IT standards as an alternative to functional terms.

The documents must include:

1. Full disclosure of the evaluation criteria, process and methodology to be used in submission assessments.

## Procedures (Continued)

2. The name, telephone number and location of the person to contact for additional information on the procurement documents and a statement that suppliers who go outside of this contact person may be disqualified.
3. Conditions that must be met before obtaining procurement documents such as conflict of interest declarations, confidentiality agreements and non-disclosure agreements, if required.
4. The address (addressed envelope and/or label), date and time limit for submitting bids to procurement documents. Bids received after the closing date and time must be returned unopened.
5. The process, date and time limit for the submission of questions and bids on the procurement documents.
6. The time and place of the opening of the bids in the event of a public opening.
7. The submission rules and competitive clauses to be followed, which may include bid format, language, inclusion of an executive summary, number of copies required, attendance at a bidders' conference and any additional rules to be followed in order to be considered a compliant bid.
8. A draft copy of the contract to be signed in the event of an award of the procurement.
9. A request for a list of any subcontractors to be used to complete the procurement.
10. The period of irrevocability of bids where bids cannot be withdrawn (typically 12 days from the closure of the competitive process).
11. For goods, services and construction valued at \$100,000 or more, a statement that the procurement is subject to Ontario's trade agreements.
12. Notice that any confidential information supplied to SHIP may be disclosed by SHIP where it is obliged to do so under FIPPA, by an order of a court or tribunal or otherwise required by law.

### ***Request for Proposal (RFP)***

The purpose of this document is to request suppliers to supply solutions for the delivery of complex goods, services or construction or to provide alternative options or solutions. It is a process that uses predefined criteria in which price is not the only factor.

### ***Request for Tender (RFT)***

The purpose of this document is to request suppliers' bids to supply goods, services or construction based on stated delivery requirements, performance specifications, terms and conditions. A RFT focuses the evaluation criteria mainly on price and delivery requirements.

## Procedures (Continued)

### ***Bid Security***

Bid Security must accompany tender submissions with contracts over \$60,000. The dollar amount must be stated on the tender submission form.

For tender submissions under \$100,000, the dollar amount for the bid security is as follows:

- \$30,000 - \$60,000                      Bid security = \$2,000 (Discretionary)
- \$60,000 - \$100,000                      Bid security = \$4,000

For contracts over \$100,000, a graduated scale based on the following:

- \$100,001 - \$500,000                      Bid security = \$8,000

Forms of bid security are as follows:

- Bid Bond
- Certified cheque or money order
- Bank draft
- Irrevocable letter of credit

The bid security is to be valid for 60 days after the tender closes. This provides sufficient time for the appropriate approvals to take place.

### ***Communications during Competition***

The competition process begins when the competitive procurement documents are issued and ends on the closing date. This is referred to as the “blackout period”.

During the blackout period in all competition situations, all communication with suppliers involved in the process must occur formally, through the contact person identified in the competitive documents.

During the competitive period, the competitive procurement documents may be clarified or modified by either:

1. An addendum response; or
2. A question and answer response.

Cross-reference to Related Policies		Date	
Related Forms		Date	



## SERVICES AND HOUSING IN THE PROVINCE (SHIP)

969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

### Policies and Procedures Manual

**Policy Title** Timelines for Posting Competitive Procurements **Date** January 1, 2012  
BPS Procurement Directive Mandatory Requirement #7

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

Timelines for posting competitive procurements are required to ensure suppliers have a reasonable period of time to submit a bid with a goal to receive the highest number of quality bids, thus achieving the optimum value for money.

### Policy

SHIP will provide suppliers with a minimum response time that is reflective of such factors as procurement complexity, risk, seasonality and time necessary for suppliers to prepare and submit bids.

### Procedures

The minimum response time for procurements valued at \$25,000 or more is 15 calendar days or 30 calendar days for procurements of high complexity, risk and/or dollar value.

The competitive process begins when the competitive procurement documents are issued (start date) and ends when SHIP signs an agreement with a supplier (end date).

From the start date to the deadline for submitting bids (closing date), SHIP will use two types of formal communication: addendum and question-and-answer response. This communication must be posted in the same manner as the competitive procurement documents.

## Procedures (Continued)

Addenda must be posted at least seven (7) days before the closing date. If an addendum is issued within seven (7) days of the closing date, the bid submission date must be moved accordingly.

Questions should be submitted at least seven (7) days before the closing date; however questions submitted after that may also be considered. If warranted, the bid submission period may be extended to ensure that all proponents receive as much relevant information as possible.

### ***Bidders' Conference***

SHIP may hold a Bidders' Conference if it believes there is information that potential suppliers will better understand if the information is presented to them.

A conference will be held shortly after the posting of the competitive documents.

Only the procurement in question can be discussed and any questions and answers that were discussed will be documented and provided to all suppliers, whether or not they were in attendance.

SHIP will determine whether or not a Bidders' Conference will be part of the competitive process and whether it is mandatory (if a potential supplier does not attend, their bid will be returned unopened).

Cross-reference to Related Policies		Date	
Related Forms		Date	



**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
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**Policies and Procedures Manual**

**Policy Title** Bid Receipt  
BPS Procurement Directive Mandatory Requirement #8 **Date** January 1, 2012

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

The bid submission date and closing time will be clearly stated in competitive procurement documents.

### Policy

SHIP will set the closing date of a competitive procurement process on a normal working day. Submissions received after the closing time will not be considered.

### Procedures

The closing date for all competitive procurement processes will be on a normal working day, Monday to Friday, excluding provincial and federal holidays. Bids received after the closing date will not be considered.

For bids where paper copies have been received, the process for opening paper bids is as follows:

1. Stamp each bid envelope as it arrives with the date, time, location, company name and contact information. If the bid envelope was received prior to the closing date, the bid envelope will be placed in a locked depository box until the closing date of the competitive procurement process.
2. Do not open any bids until after the competitive process has closed.

## Procedures (Continued)

3. Ensure there is at least one witness to view the opening of the bids.
4. Open the bids following the same process that was documented in the posted competitive documents.

Cross-reference to Related Policies		Date	
Related Forms		Date	



## SERVICES AND HOUSING IN THE PROVINCE (SHIP)

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### Policies and Procedures Manual

**Policy Title** Evaluation Criteria **Date** January 1, 2012  
BPS Procurement Directive Mandatory Requirement #9

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

Evaluation criteria will be developed for every competitive process.

### Policy

Evaluation criteria will be developed by the Procurement Evaluation Team and will be reviewed and approved by an approval authority prior to the commencement of the competitive procurement process.

### Procedures

Competitive procurement documents must clearly outline mandatory, rated, price/cost and other criteria that will be used to evaluate submissions, including weight for each criterion. The criteria will also include a clause stipulating that depending on circumstances, SHIP is under no obligation to accept a bid.

#### Mandatory criteria:

- Bidder's name and address
- The bid amount in words and figures
- The signature of an official of the bidding company
- The Worker's Safety Insurance number of the bidder, for service/maintenance contracts only (omitted numbers can be obtained at a later date)
- Details of the contractor's Liability Insurance coverage
- All required enclosures attached
- Correct work details, scope of work or specifications, unaltered through deletions, amendments or additions.

Note: mandatory criteria (eg. technical standards) will be kept to a minimum to ensure that no bid is unnecessarily disqualified.



## Procedures (Continued)

Maximum justifiable weighting must be allocated to the price/cost component of the evaluation criteria.

All criteria will comply with Mandatory Requirement #14: Non-Discrimination.

Evaluation criteria may only be altered by means of an addendum to the competitive procurement documents.

SHIP may request suppliers to provide alternative strategies or solutions as a part of their submission. SHIP will establish criteria to evaluate alternative strategies or solutions prior to the commencement of the competitive procurement process. Alternative strategies or solutions will not be considered unless they are explicitly requested in the competitive procurement documents.

Cross-reference to Related Policies		Date	
Related Forms		Date	



**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
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**Policies and Procedures Manual**

**Policy Title** Evaluation Process Disclosure **Date** January 1, 2012  
BPS Procurement Directive Mandatory Requirement #10

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

SHIP will fully disclose the evaluation methodology and process to be used in assessing competitive procurement submissions, including the method of resolving a tie score.

### Policy

The competitive procurement evaluation criteria will be clearly outlined and provided to all suppliers prior to the receipt of competitive procurement submissions.

### Procedures

The full disclosure of the evaluation methodology and process will include the following:

- A clear outline of all mandatory requirements. SHIP will indicate if the mandatory requirements will be assessed on a pass/fail basis and will indicate how suppliers can achieve a passing grade. If a supplier is disqualified for non-compliance with a mandatory requirement, no further evaluation will take place;
- All weights, including sub-weights, for rated requirements will be stated. If a supplier fails to meet a stated minimum score for a rated requirement, no further evaluation will take place;
- A description of any short-listing processes, including any minimum rated score requirements;

## Procedures (Continued)

- The role and weighting, if applicable, of reference checks, oral interviews and demonstrations; and
- Descriptions of the price and/or cost evaluation methodology. The evaluation of price/cost must be undertaken only after completion of the evaluation of the mandatory requirements and any other rated criteria for all bids.

### ***Evaluation of Mandatory Requirements***

The evaluation process begins with the assessment of submission compliance with mandatory requirements. Where a submission substantially complies, certain clarifications may be sought to confirm compliance.

Submissions that do not comply with one or more mandatory requirements must be rejected.

Cross-reference to Related Policies		Date	
Related Forms		Date	



**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
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**Policies and Procedures Manual**

**Policy Title** Evaluation Team **Date** January 1, 2012  
BPS Procurement Directive Mandatory Requirement #11

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

All competitive procurements require an evaluation team that will be responsible for reviewing and rating compliant bids.

### Policy

SHIP will convene an evaluation team that will be responsible for reviewing all compliant bids and scoring each of those bids. The evaluation team may be different for each competitive process, depending on the expertise required to help make the decision.

### Procedures

The Manager, Quality Assurance, after consultation with the C.O.O. or C.E.O. and departmental manager, will convene a Procurement Evaluation Team. Members will be selected and participation confirmed before the competitive documents have been posted. It is required that the evaluation team participate in the development of the evaluation criteria and weighting.

An Evaluation Team Lead will be selected by the Evaluation Team members and approved by the C.O.O.. The Evaluation Team Lead will be responsible for coordinating the evaluation process.

The Evaluation Team will be made aware of the restrictions related to the utilization and distribution of confidential and commercially sensitive information collected through the competitive procurement process.

## Procedures (Continued)

The Evaluation Team will refrain from engaging in activities that may create or appear to create a conflict of interest.

All Evaluation Team members must sign:

- Conflict of Interest Declaration
- Non-Disclosure Agreement

Cross-reference to Related Policies		Date	
Related Forms	SHIP Conflict of Interest Declaration SHIP Non-Disclosure Agreement	Date	Jan. 1, 2012



**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
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Policies and Procedures Manual

**Policy Title** Evaluation Matrix **Date** January 1, 2012  
BPS Procurement Directive Mandatory Requirement #12

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

Each Procurement Evaluation Team Member must complete an evaluation matrix for all competitive procurements.

### Policy

SHIP will ensure that:

- All Procurement Evaluation Team Members complete an evaluation matrix rating each of the suppliers.
- Records of evaluation scores are auditable.
- Evaluators should be aware that everything they say or document about competitive procurement submissions is fair, factual and fully defensible.

### Procedures

The proposal evaluation process must adhere to the following Principles of Evaluation:

- Defensible
- Transparent
- Integrity
- Documented

## Procedures (Continued)

All evaluators will be provided with the following documentation to assist in the evaluation process:

- Evaluation Process – this document outlines the following:
  - Principles of Evaluation
  - Stages of Proposal Evaluation
  - Scoring Method
  - Questions and Answers during the Evaluation Period
  - Responsibilities of Evaluators
  - Proposal Information Clarifications
  - Completion of Scoring Sheets
  - Evaluator Scoring Sheet
- Proposal Evaluator Handbook

Records of evaluation scores must be auditable.

Cross-reference to Related Policies		Date	
Related Forms	Evaluation Process Proposal Evaluator Handbook	Date	Jan. 1, 2012



**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
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Policies and Procedures Manual

**Policy Title** Winning Bid **Date** January 1, 2012  
BPS Procurement Directive Mandatory Requirement #13

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

The competitive procurement 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 unless circumstances dictate that SHIP is under no obligation to accept a winning bid.

### Policy

SHIP must select only the highest ranked submission(s) that have met all mandatory requirements.

### Procedures

SHIP must select only the highest ranked submission(s), based on all weighted evaluation criteria outlined in the competitive procurement documentation, meeting all mandatory requirements. Unless requested in the competitive documentation, SHIP will not consider alternate proposals made by a supplier. SHIP is also under no obligation to accept the winning bid for a competitive procurement.

The method to resolve a tie score will be identified in the evaluation criteria in the RFP, including weighting, if applicable. Tie-breaking criteria are also subject to the rules of non-discrimination.

\* Mandatory requirements include: funds are available for the contract; the bidder under consideration has an acceptable credit and performance rating.

Cross-reference to Related Policies		Date	
Related Forms		Date	





## SERVICES AND HOUSING IN THE PROVINCE (SHIP)

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### Policies and Procedures Manual

**Policy Title** Non-Discrimination **Date** January 1, 2012  
BPS Procurement Directive Mandatory Requirement #14

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

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

### Policy

SHIP will refrain from any discrimination or preferred treatment in awarding a contract to any supplier from the competitive process.

### Procedures

SHIP will not differentiate between suppliers, or goods or services on the basis of geographic location in Canada.

SHIP will not adopt or maintain any forms of discrimination based on the province of origin of goods, services, construction materials or the suppliers of such goods, services or construction materials in its procurement practices.

If a measure is inconsistent with the discriminatory procurement practices outlined in the Directive, that measure may still be permissible where it can be demonstrated that the purpose of the measure is to achieve a legitimate objective. A legitimate objective includes:

- Public safety and security;
- Public order;
- Protection of human, animal or plant life or health;
- Protection of the environment;
- Consumer protection;
- Protection of the health, safety and well-being of workers; or
- Affirmative action programs for disadvantaged groups.

## Procedures (Continued)

Should SHIP award a contract to a supplier from the competitive process based on discrimination, SHIP may be subject to bid protests or disputes from those proponents feeling that the process may have been unfair or biased.

(Refer to BPS Procurement Directive Mandatory Requirement #25 regarding Bid Dispute Resolution).

Cross-reference to Related Policies		Date	
Related Forms		Date	



**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
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**Policies and Procedures Manual**

**Policy Title** Executing the Contract **Date** January 1, 2012  
BPS Procurement Directive Mandatory Requirement #15

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

The agreement between SHIP and the successful supplier must be formally defined in a signed written contract before the provision of supplying the goods or services commences.

### Policy

SHIP will prepare a written contract to be signed by both parties prior to the receipt of goods or commencement of services.

### Procedures

SHIP will draft a contract in writing and must obtain the supplier signatures before obtaining SHIP's designated signatures.

In a situation where an immediate need exists for the goods or services and SHIP and the supplier are unable to finalize a contract, an interim purchase order may be used. The justification of such a decision must be documented and approved by the appropriate approval authority. This will allow for the immediate needs to be met while final negotiations take place towards finalizing the contract.

Cross-reference to Related Policies		Date	
Related Forms		Date	



SERVICES AND HOUSING IN THE PROVINCE (SHIP)  
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Policies and Procedures Manual

**Policy Title** Establishing the Contract **Date** January 1, 2012  
BPS Procurement Directive Mandatory Requirement #16

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

The contract must be finalized using the form of agreement that was released with the procurement documents.

### Policy

SHIP will ensure that the contract is finalized using the form of agreement/contract that was released with the procurement documents.

If an alternative form of agreement was used and not released with the procurement document, the agreement between SHIP and the successful supplier will clearly be defined in a signed written contract before the provision of goods or services is supplied.

### Procedures

The most common types of contracts that SHIP could utilize in the procurement documents are:

1. **Fixed Price** – A fixed-price contract is a contract that has a set fee for a specific scope of work to be completed.
2. **Time & Materials** – A time and materials contract identifies work to be paid based on units of time spent on the procurement.

## Procedures (Continued)

3. **Cost Reimbursement** – A cost-reimbursement contract is a contract where SHIP agrees to reimburse all of the costs incurred by a supplier in the completion of the work identified.
4. **Construction Management** - This relationship usually involves the proponent entering into the following contractual arrangements: owner-designer, owner-builder, and owner-construction manager. The construction manager is engaged to provide technical advice to the owner. In its most basic form, the role of the construction manager is to act on behalf of the owner by providing construction advice to the designer and design advice to the contractor. This approach maximizes project control and use of funds.
5. **Turnkey Agreement** - In this relationship, a Developer (Vendor) acquires a site or other good and obtains all necessary approvals to deliver the completed project to the client at a fixed price. In its purest form, a single payment is made once the project is totally complete.
6. **Modified Turnkey** - In this relationship, the client acquires a site or other good and obtains all necessary approvals to deliver the completed project to the client at a fixed price. In this form, payment is usually made on a monthly progress basis.

Depending on the requirements being contemplated, a combination of the above contract types can also be used.

**Dispute Resolution:** SHIP will ensure all contracts contain a Dispute Resolution process.

The **Contract Review Check List** must be completed to ensure all elements of the contract have been addressed. The elements include:

- a. Identification of the Parties
- b. Effective/Execution Date
- c. Term
- d. Termination
- e. Insurance/Liability Issues
- f. Indemnification/Hold-Harmless
- g. Performance of the Parties
- h. Amendments/Exhibits
- i. Governing Law
- j. Contract Signatures
- k. Confidentiality
- l. Intellectual Property Rights
- m. Notices
- n. Assignment
- o. Dispute Resolution Clause
- p. Exclusivity Clause

For Services:

- q. Terms of Reference
- r. Expense Claim and Reimbursement Rules

Cross-reference to Related Policies		Date	
Related Forms	Contract Review Check List	Date	Jan. 1, 2012



## SERVICES AND HOUSING IN THE PROVINCE (SHIP)

969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

### Policies and Procedures Manual

**Policy Title** Termination Clauses **Date** January 1, 2012  
BPS Procurement Directive Mandatory Requirement #17

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

All procurement contracts must include a cancellation or termination clause.

### Policy

SHIP will ensure all procurement contracts include appropriate cancellation or termination clauses.

### Procedures

A termination or cancellation clause will be included in all procurement contracts. If necessary, SHIP will seek legal advice pertaining to the development of such clauses.

SHIP will also seek legal advice for complex procurements that may use contract clauses to permit cancellation or termination at critical project life-cycle stages; particularly for goods and services procured as part of an IT project.

Cross-reference to Related Policies		Date	
Related Forms		Date	



**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

**Policies and Procedures Manual**

**Policy Title** Term of Agreement Modifications **Date** January 1, 2012  
BPS Procurement Directive Mandatory Requirement #18

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

The term of the agreement and any options to extend the agreement will be set out in the competitive procurement documents.

### Policy

SHIP will ensure that all competitive procurement documents contain the term of the agreement and options to extend the agreement. An approval by an appropriate authority as outlined in the Approval Authority Schedule (AAS), must be obtained before executing any modifications to the term of agreement.

### Procedures

All competitive procurement documents will contain the term of the agreement and options to extend the agreement. SHIP acknowledges that changes to the term of the agreement may change the procurement value.

Should an extension be requested, written approval by the appropriate approval authorities outlined in the Approval Authority Schedule (AAS) is necessary before changing contract start or end dates. Extensions to the term of agreement beyond what is set out in the procurement document are considered non-competitive procurements and SHIP will seek appropriate approval authority prior to proceeding.

Cross-reference to Related Policies		Date	
Related Forms		Date	



**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

Policies and Procedures Manual

**Policy Title** Contract Award Notification **Date** January 1, 2012  
BPS Procurement Directive Mandatory Requirement #19

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

All proponents are to be notified that a contract has been signed and the competitive process is complete.

### Policy

SHIP will notify all proponents, regardless of the procurement value, that the competitive process is complete and a contract has been signed.

### Procedures

SHIP will prepare a Contract Award Letter to the successful proponent.

For procurements valued at \$100,000 or more, SHIP will post the contract award notification in the same manner the procurement documents were posted. The notification must be posted after the agreement between the successful supplier and SHIP was executed. The notification must include the name of the successful supplier and the agreement start and end dates with any extension option.

SHIP will acknowledge, by letter, all unsuccessful proponents (Award Notification Letter to Unsuccessful Bidders).

Cross-reference to Related Policies		Date	
Related Forms	Award Notification Letter to Unsuccessful Bidders	Date	Jan. 1, 2012





**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

Policies and Procedures Manual

**Policy Title** Supplier Debriefing **Date** January 1, 2012  
BPS Procurement Directive Mandatory Requirement #20

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

For procurements valued at \$100,000 or more, SHIP will inform all unsuccessful suppliers about their entitlement to a debriefing.

### Policy

SHIP will notify all unsuccessful suppliers about their entitlement to a debriefing and will allow suppliers 60 days following the date of the contract award notification to request a debriefing.

### Procedures

SHIP will include the details of the supplier debriefing in the competitive procurement documents.

For suppliers requesting a debriefing, SHIP will:

- Confirm the date and time of the debriefing session in writing;
- Complete the Vendor Debriefing Template for all vendors requesting a debriefing;
- Conduct separate debriefings with each supplier;
- Ensure the same participants from SHIP participate in every debriefing conducted; and
- Retain all correspondence and documentation relevant to the debriefing session as part of the procurement documentation.

## Procedures (Continued)

In conducting supplier debriefing meetings, SHIP will:

- Provide a general overview of the evaluation process set out in the procurement document;
- Discuss the strengths and weaknesses of the supplier's submission in relation to the evaluation criteria and evaluated score;
- Provide suggestions on how the supplier may further improve future submissions;
- Be open to feedback from the supplier on current procurement processes and practices;
- Address specific questions and issues raised by the supplier in relation to their submission; and
- Record the details and notify the appropriate authority within SHIP if a supplier threatens to take legal action.

SHIP may choose to provide the name(s) and addresses of all suppliers who participated in the competitive procurement, including all qualified, disqualified and those who submitted no bid.

SHIP will not disclose information regarding other suppliers other than listed above, as it may contain confidential third-party proprietary information subject to the mandatory third-party exemption under FIPPA. If a supplier makes such a request, the supplier must be advised that a formal Freedom of Information request can be submitted to SHIP's Privacy Officer.

Questions not related to the vendor debriefing will not be responded to during the debriefing and will be noted as out of scope based on the debriefing process agreed to in the procurement documents.

Cross-reference to Related Policies		Date	
Related Forms	Vendor Debriefing Template	Date	Jan. 1, 2012



**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

Policies and Procedures Manual

**Policy Title** Non-Competitive Procurement **Date** January 1, 2012  
BPS Procurement Directive Mandatory Requirement #21

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

A competitive procurement process will ensure SHIP receives optimum value for its money; however, special circumstances may require SHIP to use non-competitive procurement.

### Policy

Whenever possible, SHIP will utilize a competitive or invitational competitive procurement process; however, in some situations, competitive procurement processes are not warranted.

SHIP will ensure that in only limited circumstances will the utilization of a non-competitive procurement be used for situations outlined in the exemption, exception, or non-application clauses of the Agreement on Internal Trade (AIT) or other trade agreements.

Prior to commencement of non-competitive procurement, supporting documentation must be completed and approved by an appropriate approval authority within SHIP.

### Procedures

SHIP may use non-competitive procurement under the circumstances outlined below.

#### ***Non-application of Trade Agreements***

Where a non-application clause exists under the Agreement on Internal Trade (AIT) or other trade agreement, SHIP may apply this clause as the basis for conducting non-competitive procurement.

## Procedures (Continued)

Should SHIP assert that procurement is subject to a non-application clause under a trade agreement, SHIP must formally establish applicability of this clause.

As of April 1, 2011, the above-mentioned non-application clauses of the AIT are outlined below. SHIP is required to comply with any amendments to the trade agreements approved after the release of the Directive (2011).

- Procurement of goods intended for resale to the public;
- Contracts with a public body or a non-profit organization;
- Procurement of goods and services purchased on behalf of an entity that is out of scope of the Directive;
- Procurement from philanthropic institutions, prison labour or persons with disabilities;
- Procurement of any goods the inter-provincial movement of which is restricted by laws not inconsistent with the trade agreements;
- Procurement of goods and services that is financed primarily from donations that are subject to conditions that are inconsistent with the Directive;
- Procurement of goods and services related to cultural or artistic fields and computer software for educational purposes;
- Procurement of services that in Ontario may, by legislation or regulation, be provided only by any of the following licensed professionals: medical doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, accountants, lawyers and notaries;
- Procurement of services of financial analysts or the management of investments by organizations who have such functions as a primary purpose;
- Procurement of financial services respecting the management of financial assets and liabilities (i.e., treasury operations), including ancillary advisory and information services, whether or not delivered by a financial institution;
- Procurement of goods and services for use outside Canada as well as construction work done outside Canada; and
- Health services and social services.

### ***Exceptions from the Competitive Process***

Where an exception clause exists under the Agreement on Internal Trade (AIT) or other trade agreement, SHIP may apply this clause as the basis for conducting non-competitive procurement.

SHIP must formally establish applicability of this clause when asserting that procurement is subject to an exception clause under a trade agreement.

The following outlines the applicable AIT exception clause as of April 1, 2011. SHIP is required to comply with any amendments to the trade agreements approved after release of the Directive (2011).

## Procedures (Continued)

**Single Sourcing:** This is the use of a non-competitive procurement process to acquire goods or services from a specific supplier because of its specialized or unique characteristics. SHIP must ensure that it does not conduct non-competitive procurement for the purpose of avoiding competition between suppliers or to discriminate against suppliers.

Allowable exceptions for competitive procurement include:

- Where an unforeseeable situation of urgency exists and the goods or services cannot be obtained in time by means of open procurement procedures. Failure to plan and allow sufficient time for a competitive procurement process does not constitute an unforeseeable situation of urgency;
- Where goods or services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open tendering process could reasonably be expected to compromise government confidentiality, cause economic disruption or otherwise be contrary to the public interest;
- Where a contract is to be awarded under a cooperation agreement that is financed, in whole or in part, by an international cooperation organization, only to the extent that the agreement between the entity and the organization includes rules for awarding contracts that differ from the obligations set out in the Directive;
- 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;
- Where compliance with the open tendering provisions set out in the Directive would interfere with the entities' ability to maintain security or order or to protect human, animal or plant life or health; and
- In the absence of a receipt of any bids in response to a call for proposals or tenders made in accordance with the Directive.

**Sole Sourcing:** In a situation where one and only one supplier is able to meet the procurement requirements, SHIP may use procurement procedures that differ from those previously described in the following circumstances provided it does not do so for the purposes of avoiding competition between suppliers or to discriminate against suppliers:

- To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licences, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative;
- Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists;
- For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly;
- For the purchase of goods on a commodity market;

## Procedures (Continued)

- 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 a contract to be awarded to the winner of a design contest;
- For the procurement of a prototype of a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases;
- For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases;
- For the procurement of original works of art;
- For the procurement of subscriptions to newspapers, magazines or other periodicals; and
- For the procurement of real property.

In the event that a non-competitive procurement process is utilized by SHIP, formal documentation will be completed to support and justify the process. The Procurement Business Case must be completed and approved by the appropriate approval authority levels within SHIP.

Cross-reference to Related Policies		Date	
Related Forms		Date	



**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

**Policies and Procedures Manual**

**Policy Title** Contract Management **Date** January 1, 2012  
BPS Procurement Directive Mandatory Requirement #22

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

Procurements and resulting contracts must be managed responsibly and effectively.

### Policy

SHIP will ensure that all procurements and contracts are managed responsibly and effectively for reporting and auditing purposes. These documents may also be used as support in the event of a bid protest or competitive process dispute.

### Procedures

SHIP will ensure that the record of the procurement process is concise and complete.

Payments must be made in accordance with provisions of the contract. All invoices must contain detailed information sufficient to warrant payment. Any overpayments must be recovered in a timely manner.

Assignments must be properly documented. Supplier performance must be managed and documented, and any performance issues must be addressed.

To manage disputes with suppliers throughout the life of the contract, SHIP should include a dispute resolution process in their contracts.

## Procedures (Continued)

For services, SHIP must:

- Establish 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;
- Establish expense claim and reimbursement rules compliant with the Broader Public Sector Expenses Directive (as set out in the Broader Public Sector Accountability Act, 2010 (s.10) and ensure all expenses are claimed and reimbursed in accordance with these rules; and
- Ensure that expenses are claimed and reimbursed only where the contract explicitly provides for reimbursement of expenses.

SHIP will coordinate, monitor and control efforts of the internal and external resources to ensure satisfactory completion of assignments on schedule and within budget. When applicable, SHIP will ensure the transfer of knowledge from consultants to staff to avoid continuous reliance on consultants.

The Contract Review Check List will be utilized as an audit tool to ensure completeness of all contracts.

Cross-reference to Related Policies		Date	
Related Forms		Date	





**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

Policies and Procedures Manual

**Policy Title** Procurement Records Retention **Date** January 1, 2012  
BPS Procurement Directive Mandatory Requirement #23

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

All procurement documentation will be retained and maintained in a recoverable format per SHIP's records retention limits.

### Policy

SHIP will maintain all procurement documentation and other pertinent information for auditing and reporting purposes for a period of seven (7) years. All documentation will be maintained in a recoverable format.

### Procedures

The handling, storing and maintaining of supplier's confidential and commercially sensitive information will be maintained per SHIP's Records Retention and Disposition policy and procedure for a period of seven (7) years after contract expiration.

The Procurement Record Check List will be utilized as an audit tool to ensure completeness of all procurement records.

Cross-reference to Related Policies		Date	
Related Forms		Date	



**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

Policies and Procedures Manual

**Policy Title** Conflict of Interest **Date** January 1, 2012  
BPS Procurement Directive Mandatory Requirement #24

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

Conflict of interest during procurement activities must be considered and monitored during the procurement activities.

### Policy

SHIP will monitor any conflict of interest that may arise as a result of the employees of SHIP, advisors', external consultants', or suppliers' involvement with the procurement activities.

### Procedures

SHIP shall employ all reasonable measures to ensure that during the procurement process, employee conflicts of interest do not exist. This requirement is extended to contract staff, external consultants, suppliers and any other individual involved in the procurement process.

#### **Staff**

SHIP staff involved in the procurement process, including the Procurement Evaluation Team members, are required to complete a Conflict of Interest Declaration. Where a conflict of interest arises, it must be evaluated and an appropriate mitigating action must be taken.

## Procedures (Continued)

### ***Suppliers***

SHIP will:

- Define conflict of interest to include situations or circumstances that could give a supplier an unfair advantage during a procurement process or compromise the ability of a supplier to perform its obligations under the agreement;
- Reserve the right of SHIP to solely determine whether any situation or circumstance constitutes a conflict of interest;
- Reserve the right of SHIP to disqualify prospective suppliers from a procurement process due to a conflict of interest;
- Reserve the right of SHIP to prescribe the manner in which a supplier should resolve a conflict of interest;
- Require prospective suppliers participating in a procurement process to declare any actual or potential conflict of interest;
- Require suppliers to avoid any conflict of interest during performance of their contractual obligations to SHIP;
- Require suppliers to disclose any actual or potential conflict of interest that may arise during performance of an agreement; and
- Allow SHIP to terminate an agreement in situations where:
  - The supplier fails to disclose any actual or potential conflict of interest;
  - The supplier fails to resolve its conflict of interest as directed by SHIP; or
  - The conflict of interest cannot be resolved.

### ***Consultants***

Any consultant retained to develop competitive procurement documents are precluded from participating in the competition.

Cross-reference to Related Policies		Date	
Related Forms	Conflict of Interest Declaration	Date	Jan. 1, 2012



## SERVICES AND HOUSING IN THE PROVINCE (SHIP)

969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

### Policies and Procedures Manual

**Policy Title** Bid Dispute Resolution **Date** January 1, 2012  
BPS Procurement Directive Mandatory Requirement #25

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

Competitive documents must outline bid dispute resolution procedures to ensure that any dispute is handled in an ethical, fair, reasonable and timely fashion.

### Policy

SHIP will outline in its competitive procurement documents bid dispute procedures that allow suppliers to submit protests concerning any aspect of the procurement process.

### Procedures

All of SHIP's procurement processes begins after SHIP has decided on its procurement requirement(s) and continues through to the awarding of the contract.

SHIP will ensure that bid dispute resolution processes are built into their contracts with the chosen supplier to manage disputes throughout the life of the contract. Should SHIP enter into a contract with an international supplier(s), arbitration will be in Canada.

Bid dispute resolution processes must comply with bid protest or dispute resolution procedures set out in applicable trade agreements.

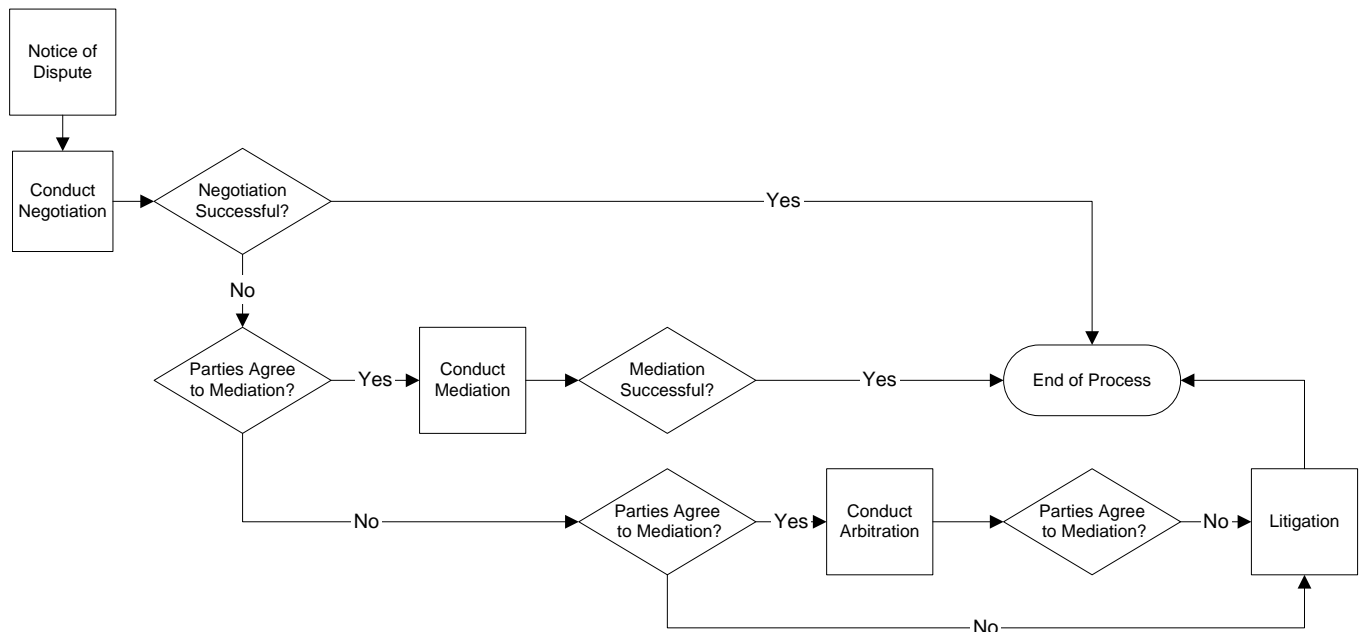
**Negotiation**, **Mediation** and **Arbitration** are three key approaches to resolve bid disputes. SHIP will consult its legal counsel to determine what method is most suitable for each procurement.

Dispute resolution processes may prove to be faster and more cost efficient than the traditional legal process.

## Procedures (Continued)

Dispute resolution processes are not mutually exclusive. To resolve certain disputes, a number of different resolution approaches may be used in sequence.

The following sequence is an **example** provided by the Ministry of Finance as outlined in the Broader Public Sector Procurement Directive, Implementation Guidebook, April 2011.



### Steps 1-6 of Dispute Resolution Process

1. *Notice of Dispute received*
2. *Conduct Negotiation (if negotiation is successful, proceed to Step 6 - End of Process; if not successful, both parties must agree to proceed to Step 3 - Mediation)*
3. *Conduct Mediation (if mediation is successful, proceed to Step 6 - End of Process; if not successful, both parties must agree to proceed to Step 4 - Arbitration)*
4. *Conduct Arbitration (if arbitration is successful, proceed to Step 6 - End of Process; if not successful, proceed to Step 5 - Litigation)*
5. *Litigation*
6. *End of Process*

Cross-reference to Related Policies		Date	
Related Forms		Date	



## SERVICES AND HOUSING IN THE PROVINCE (SHIP)

969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

### Policies and Procedures Manual

**Policy Title** Supporting Materials: Value Add Incentives **Date** January 1, 2012

**Sect No.** 20 **Rev No.** \_\_\_\_\_

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

A value-add incentive is an offer by a supplier, over and above the primary goods or services being purchased, with the intent to increase the total value received by the customer.

### Policy

The current national practices are varied with some organizations choosing not to include value-add incentives in their procurement process and others developing specific policies regarding this practice. When not properly managed, requesting and/or evaluating value-add incentives may increase the level of risk within the procurement process and result in bid disputes.

If SHIP is willing to receive value-add incentives, SHIP must ensure that the principles of open, fair and transparent procurement are maintained. To maintain such transparency, value-add incentives must not be considered unless they are explicitly requested in the competitive procurement documents.

SHIP must govern its procurement practices according to multiple trade agreements. As these trade agreements are regularly being updated and new ones developed, the rules regarding value-add incentives may be impacted. This section is subject to change to align with any broader principles that may be identified through the trade agreements to ensure a coordinated approach.

## Procedures

The following rules for the use of value-add incentives have been compiled by incorporating the requirements and guidance of other provinces:

1. Value-add incentives must be directly relevant and transparently connected to the given procurement;
2. SHIP should openly state the desired enhancements. The procurement document should list the specific value-add incentives that would be considered beneficial to the organization and order of preference, such as on-site technical assistance or product upgrades;
3. Cash should never be requested as a value-add incentive and, if received, should only be used to reduce the final price of the bid;
4. SHIP must establish criteria to evaluate value-add incentives prior to commencement of the competitive procurement process;
5. The weighting assigned to value-add incentives must be stated in the competitive procurement document;
6. SHIP should ensure that the weight assigned to value-add incentives demonstrates that they are not considered a major influencing factor;
7. Value-add incentives that are outside the scope of the goods and/or services being procured or related operational improvements should not receive any points; and
8. Value-add incentives should be evaluated as a separate and final step after all other rated criteria.

SHIP is aware that the U.S. Foreign Corrupt Practices Act prohibits U.S. citizens and entities from making payments to foreign government officials to assist in obtaining or retaining business. Under this Act, BPS purchasers are considered foreign government officials.

Cross-reference to Related Policies		Date	
Related Forms	Conflict of Interest Declaration	Date	Jan. 1, 2012



**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

**Policies and Procedures Manual**

**Policy Title** Disposal or Reassignment of Surplus Assets (Equipment and Furniture) **Date** January 1, 2012

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

To ensure fair, effective and efficient disposal of surplus assets for SHIP's main office and satellite offices/workspaces.

### Policy

The Office Services Coordinator is responsible for locating, tracking and initiating the disposal or reassignment of surplus assets.

The Sr. Manager, IS, is responsible for the tracking, disposal and reassignment of all IT equipment. This will ensure the removal of all proprietary software and data files. Please refer to Section 10 of SHIP's Policies and Procedure Manual.

### Procedures

The direction to dispose, reassign, sell or donate SHIP assets shall be the responsibility of the Director, Finance as recommended by the Office Services Coordinator.

If an item is no longer in use in a department/program or is deemed no longer in working order, damaged or worn in such a manner to preclude sale, the Office Services Coordinator will make a recommendations to the Director, Human Resources and Director, Finance that the item be disposed of.



## Procedures (Continued)

If an item is deemed to have some remaining useful life and value, the sale of the item to SHIP staff only may be recommended by the Office Services Coordinator to the Director, Humans Resources and the Director, Finance to SHIP. Prior to this, the Office Services Coordinator must first consider reassignment of the asset elsewhere in SHIP. If SHIP has no requirements for the item, the Director of Finance will determine if the item will be made available for sale to SHIP staff.

The Director, Finance, will allocate the proceeds from the sale of items back to the originating functional centre.

Once disposal or reassignment of an item has taken place, the Office Services Coordinator will ensure the inventory log is updated to reflect same.

Cross-reference to Related Policies		Date	
Related Forms		Date	



**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

Policies and Procedures Manual

**Policy Title** Gifts from Suppliers **Date** January 1, 2012

**Sect No.** 20 **Rev No.** \_\_\_\_\_

### Approvals

Reviewed	Approved	
<b>Program Manager</b> <i>(signature)</i>	<b>Program Director</b> <i>(signature)</i>	<b>CEO</b> <i>(signature)</i>
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

SHIP strives to maintain the highest standards of ethics in its relations with those with whom it does business. Actions taken and decisions made by SHIP's employees should be on an impartial basis and free from the influence of gifts and favours which may adversely affect the judgment of those involved.

### Policy

SHIP's policy is to decline the receipt of gifts, benefits or favours from individuals or suppliers with which SHIP does or may do business. SHIP also discourages the giving of gifts, benefits or favours by employees on behalf of SHIP.

### Procedures

SHIP staff are to neither give nor receive from individuals or suppliers gifts without the knowledge and consent of their manager, or where appropriate, the C.E.O.. This may involve, in non-competitive circumstances (not during a RFP), business lunches.

Cross-reference to Related Policies		Date	
Related Forms		Date	



SERVICES AND HOUSING IN THE PROVINCE (SHIP)  
969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

Policies and Procedures Manual

Policy Title Hazardous Materials/Chemicals Date January 1, 2012

Sect No. 20 Rev No. \_\_\_\_\_

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

SHIP will ensure a safe working environment for staff regarding the acquisition of hazardous materials and/or chemicals.

### Policy

A Material Safety Data Sheet (MSDS) will be requested at the time of purchase for all materials and/or chemicals that are controlled by WHMIS (Workplace Hazardous Materials Information System).

### Procedures

When procuring hazardous materials, the department/program requesting the product must:

1. Choose the least hazardous product or toxic material that will do the job satisfactorily;
2. Note on the requisition that a **current** MSDS must be provided with the shipment. (The date of the MSDS must not be older than three years from the current date);
3. Indicate the product trade name. Chemical formulas and/or numbers are alone not adequate; and
4. Ensure that adequate and appropriate storage facilities are available before the product is received.

Cross-reference to Related Policies		Date	
Related Forms		Date	



**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

**Policies and Procedures Manual**

**Policy Title** Leasing of Equipment **Date** January 1, 2012

**Sect No.** 20 **Rev No.** \_\_\_\_\_

### Approvals

Reviewed	Approved	
<b>Program Manager</b> <i>(signature)</i>	<b>Program Director</b> <i>(signature)</i>	<b>CEO</b> <i>(signature)</i>
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

To identify the process of entering into a lease agreement.

### Policy

SHIP will ensure SHIP's Procurement Policy, Procedures and Guidelines are adhered to prior to the procurement to lease any type of equipment.

### Procedures

The terms and conditions related to the leasing of equipment on behalf of SHIP must first be reviewed by the C.O.O. and/or C.E.O. prior to lease execution to ensure that the terms offered within the lease agreement are in the best interest of SHIP.

All lease agreements/contracts will follow SHIP's procurement guidelines, policies and procedures.

Cross-reference to Related Policies		Date	
Related Forms		Date	



**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

**Policies and Procedures Manual**

**Policy Title** Procurement/Purchasing Card (SHIP Credit Card: P-Card) **Date** January 1, 2012

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

SHIP will provide a Procurement (VISA) credit card (P-Card) to assigned employees in order to allow purchasing of goods and services up to specified amount for business purposes.

### Policy

SHIP has authorized and assigned a SHIP Procurement (VISA) card (P-Card) to assigned employees. Please refer to Competitive Procurement Thresholds, BPS Procurement Directive Mandatory Requirement #3 for procurement value thresholds.

The SHIP P-Card is embossed with the cardholder's name and includes the SHIP name. The P-Card is limited to "business use only" and may not be used for items of a personal nature. No other SHIP staff, family or any other individual is authorized to use the P-Card.

The cardholder is responsible for ensuring that the P-Card is used in accordance with Procurement (Credit) Card policies and procedures contained herein. SHIP may cancel the P-Card at any time should there be cause to believe that the P-Card is not being used for the stated authorized purposes.

### Procedures

#### **Cardholder Eligibility:**

- The applicant must be a SHIP employee;
- The applicant must complete a "Request for SHIP Procurement (Credit) Card"; and

## Procedures (Continued)

- Each employee assigned a P-Card will receive a letter outlining an approved maximum amount they can expense without pre-authorization from their supervisor or designate.

### ***Cardholder Liability:***

As the P-Card is issued to SHIP for the use of the authorized cardholder, it is a SHIP credit card, which will not affect the cardholder's personal credit. However, it is the cardholder's responsibility to ensure that the P-Card is used only within the stated guidelines of SHIP's Procurement/Purchasing Card (SHIP Credit Card: P-Card) guidelines contained herein. Failure to comply with these policies and procedures will result in the revocation of the P-Card and may result in disciplinary and other measures taken against the cardholder. SHIP will hold the cardholder fully responsible for all unauthorized purchases and any other fees associated with those purchases.

Cards are assigned to a specific employee. The P-Card may not be assigned to multiple users and may not be loaned to any other individual. The cardholder is the only person authorized to use the assigned card and is responsible for all transactions.

### ***Prohibited P-Card Transactions***

P-Cards may not be used to purchase goods and services for personal use; cash advances and fuel for SHIP's vehicles (gas cards are available).

Purchase amounts must not be split to circumvent procurement procedures.

### ***Lost or Stolen P-Cards:***

It is the responsibility of the cardholder to maintain control and security for the P-Card. All precautions should be used to maintain confidentiality of all information relating to the P-Card, such as the cardholder P-Card number and expiration date. The P-Card number should never be left in a conspicuous place.

Fraudulent use of the P-Card and lost or stolen cards must be reported immediately. The cardholder should immediately contact Scotiabank Customer Service at 1-888-823-9657 (Canada/USA) or 1-416-750-6138 (outside Canada/USA, call collect). This number is available 7 days a week, 24 hours a day for reporting purposes. The cardholder must be prepared to respond to questions to verify the identity of the cardholder.

After a missing or stolen card incident is reported to the card issuer, the cardholder must notify the Finance Manager or designate. The Finance Manager or designate will forward a completed Procurement (Credit) Card Cancellation Form to the Director of Finance.

### ***Worn-Out/Defective Cards***

Should a P-Card require replacement because it is worn out or defective, the cardholder must notify the Finance Manager or designate. The Finance Manager or designate will request a

## Procedures (Continued)

replacement card from the card issuer and will notify the cardholder when the replacement card is available for release.

To receive the new card, the cardholder must surrender the old card and it will be destroyed by the Finance Manager or designate in the presence of the cardholder. The Finance Manager or designate will forward a completed Procurement (Credit) Card Cancellation Form to the Director of Finance.

### ***Cancelling P-Cards***

The Finance Manager, or designate, after consultation with the Director, Finance, and/or C.E.O., will automatically cancel P-Cards under the following conditions:

#### **1. Termination**

When a cardholder leaves SHIP, the Finance Manager, or designate will obtain the P-Card and all outstanding documentation on the account from the cardholder prior to final separation.

#### **2. Temporary Leave**

When a cardholder leaves his/her position or changes responsibilities on a temporary basis (eg. maternity leave, sick leave), the Finance Manager, or designate will obtain all outstanding documentation on the account from the cardholder and may then deactivate or cancel the P-Card.

The Finance Manager, or designate will forward a completed Procurement (Credit) Card Cancellation Form to the Director of Finance for any P-Card cancellation.

### ***Placing an Order using a SHIP P-Card***

The cardholder must determine, before placing an order that the:

- Procurement policies and procedures have been followed;
- Proposed purchase is not a prohibited P-Card transaction;
- The total cost does not exceed the cardholder's purchase limits, including shipping charges, currency exchange and taxes;
- Vendor accepts the P-Card;
- Product is available;
- Delivery date meets expectations and needs; and
- Appropriate method of shipping and handling is selected and special handling instructions are defined.

For orders placed on the internet, the cardholder must:

- Ensure appropriate consideration is given to security concerns;
- Print copies of orders before issue;
- Obtain electronic confirmation of the order;
- The P-Card is used for purchases using an Internet Billing Agency (eg. PayPal, Ebay, etc.). The cardholder must forward a copy of the email confirmation with a description of the item and total cost to the Finance Manager, or designate.

## Procedures (Continued)

### ***Reconciliation of P-Card Charges***

The cardholder is responsible for ensuring all charges are approved and supporting documentation (purchase order, packing slip, email confirmations, etc.) is attached to each P-Card transaction. This process must be completed and forwarded to the Administrative Assistant, Finance, within one week of the purchase or as soon as the goods have been received.

Cross-reference to Related Policies		Date	
Related Forms		Date	





## SERVICES AND HOUSING IN THE PROVINCE (SHIP)

969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

### Policies and Procedures Manual

**Policy Title** Purchases - Capital **Date** January 1, 2012

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

To identify the criteria of a capital purchase, process and the elements of information required for capital purchase requisitions.

### Policy

Acquisition of furniture or equipment, excluding software, which has a useful life greater than one year, with a minimum value of \$5,000.00 before taxes, will be considered a capital purchase.

### Procedures

All furniture and IT equipment will be procured as outlined in SHIP's Procurement Policy, Procedures and Guidelines.

SHIP will not reduce the overall value of procurement (eg. dividing a single procurement into multiple procurements) in order to circumvent the approval requirements of the authorized Approval Authority Schedule.

Capital assets cannot be purchased using the SHIP P-Card.

Capital assets purchased and reimbursement requested through an expense claim form is also prohibited.

Cross-reference to Related Policies		Date	
Related Forms		Date	



## SERVICES AND HOUSING IN THE PROVINCE (SHIP)

969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

### Policies and Procedures Manual

**Policy Title** Purchases - Computer Acquisitions **Date** January 1, 2012

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

To ensure efficient and accountable sourcing, contracting and purchasing activities for computer hardware and software acquisitions.

### Policy

SHIP and its IT Department makes every effort to provide each employee with appropriate technology in performing his/her job function. This applies to the acquisition through purchase or lease of any laptop, general purpose computer workstation, including central processing unit (CPU), monitor, keyboard, mouse, speakers, operating system and software.

### Procedures

All computer hardware and software will be procured as outlined in SHIP's Procurement Policy, Procedures and Guidelines. SHIP will not reduce the overall value of procurement (eg. dividing a single procurement into multiple procurements) in order to circumvent the approval requirements of the authorized Approval Authority Schedule.

All computers will adhere to a standard hardware and software configuration, to be determined by IT, with consultation from SHIP's Senior Executive, as appropriate.

Should it be required that hardware be leased, all machines will be returned to the leasing vendor at the termination of the lease unless a business case can be presented to purchase the equipment at the purchase option price.

Cross-reference to Related Policies		Date	
Related Forms		Date	



**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

**Policies and Procedures Manual**

**Policy Title** Purchase Order Requisition – Office/Medical Supplies or Services **Date** January 1, 2012

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

To ensure complete and concise documentation for all purchases with a value of \$100 – under \$1,000.

### Policy

All purchases with a value of \$100.00 – under \$1,000 require a purchase order to be completed and signed in accordance with the Procurement Approval Authority Schedule.

### Procedures

The requisitioning department/program identifies the need for goods and/or services and submits the request to the Office Services Coordinator or designate. A completed purchase order is required for all goods and/or services valued at \$100.00 to under \$1,000.00. The overall value of the goods and/or services cannot be reduced to circumvent procurement thresholds.

The Office Services Coordinator or designate reviews the request and obtains appropriate authorization to ensure funds are available to cover the cost of the order.

The Office Services Coordinator or designate must ensure that there are no existing SHIP agreements and/or contracts with vendors supplying the same goods and/or services by contacting the Manager, Quality Assurance.

Cross-reference to Related Policies		Date	
Related Forms		Date	



## SERVICES AND HOUSING IN THE PROVINCE (SHIP)

969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

### Policies and Procedures Manual

**Policy Title** Receipt of Office or Medical Supplies **Date** January 1, 2012

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

To identify the process for receipt of office and medical supplies.

### Policy

SHIP will ensure that the receipt of office and medical supplies includes complete documentation.

### Procedures

All office or medical supplies delivered to SHIP's main office or satellite offices must be accompanied by a packing slip. The packing slip must either include a purchase order number or clear identification that the item was purchased using a SHIP P-Card. The Administrative Assistant, Front Desk, or designate, will receive the supplies and will ensure that a packing slip is attached to the supplies in order to properly receive the items.

Upon receipt, the supplies will be forwarded to the program/department who requested the supplies. The receiver of the supplies will match the supplies received to the packing slip and the purchase order. to ensure the order is complete. Discrepancies or back-orders are to be reported to the Office Services Coordinator or designate upon identification.

Upon receipt of the invoice, the program manager will ensure the purchase order, packing slip and if applicable, the Procurement Approval Form for Procurements valued at \$1,000 to under \$5,000, are attached to the invoice before approval. Once approved, all documentation is forwarded to Accounts Payable, Finance Department for payment.

Cross-reference to Related Policies		Date	
Related Forms		Date	



**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

**Policies and Procedures Manual**

**Policy Title** Return of Office or Medical Supplies to Supplier **Date** January 1, 2012

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

To outline the procedure for the return of office or medical supplies to a supplier.

### Policy

SHIP will return damaged or defective goods to the supplier within the terms outlined in the contract or warranty.

### Procedures

If an item is found to be damaged or defective upon receipt or use, the department in receipt of the goods will inform and return the goods to the Office Services Coordinator or designate in a timely manner to ensure the goods are returned to the supplier within the terms outlined in the contract or warranty.

The Office Services Coordinator or designate will contact the supplier and request a Return Merchandise Authorization (RMA) number. If applicable, the original purchase order number must be quoted for the return of all goods.

The Office Services Coordinator or designate will ensure that the RMA number, SHIP address and company to where the goods are to be returned is affixed to the package. If the item was removed from its original packaging, it should be placed back into the original packaging where appropriate.

Cross-reference to Related Policies		Date	
Related Forms		Date	



**SERVICES AND HOUSING IN THE PROVINCE (SHIP)**  
969 Derry Road East, Unit #107, Mississauga, Ontario L5T 2J7 Canada

Policies and Procedures Manual

**Policy Title** Shared Procurement Initiative **Date** January 1, 2012

**Sect No.** 20 **Rev No.**

### Approvals

Reviewed	Approved	
<b>Program Manager</b> (signature)	<b>Program Director</b> (signature)	<b>CEO</b> (signature)
Date (m/d/y) :	Date (m/d/y) :	Date (m/d/y) :

### Rationale

Collaborative procurement is a coordinated event that facilitates purchasing on behalf of multiple organizations and may be facilitated through Shared Services Organizations. The purpose is to enable providers to maximize the use of limited resources in order to focus these resources on client services rather than on supplies and equipment costs.

### Policy

SHIP is a member of the Shared Procurement Initiative. This group will work directly with the Central West LHIN and Shared Services West (SSW) to move forward actions related to advancing procurement opportunities related to the Back Office Integration priority outlined in the LHIN's Integrated Health Services Plan.

### Procedures

As a member of the Shared Procurement Initiative Group, SHIP will participate in regular meetings to:

- Utilize, where practical, current shared procurement opportunities presented by SSW;
- Assess the cost-benefit of joining a shared service organization;
- Advise the development of future procurement opportunities with vendors that have contracts with SSW;
- Identify future opportunities to reduce costs and improve efficiencies related organization procurement functions; and
- Support the communication and advocacy of successful opportunities that have been tested and adopted by members.

Cross-reference to Related Policies		Date	
Related Forms		Date	

## DEFINITIONS

**“Accountability”** means the obligation of an employee, agent or other person to answer for or be accountable for, work, action or failure to act following delegated authority.

**“Agreement”** means the formal written document that will be entered into at the end of the procurement process.

**“Approval Authority”** means the authority delegated by the Organization to a person designated to occupy a position to approve on its behalf one or more procurement functions within the plan-to-pay cycle up to specified dollar limits subject to the applicable legislation, regulations and procedures in effect at such time.

**“Approval Level”** means criteria, often dollar levels, that define which approvals are needed for various business transactions. Limits are set on the size and nature of the business transactions and are assigned to the individual or job role authorized to execute based on the appropriate level of responsibility.

**“Award”** means the notification to a proponent of acceptance of a proposal, quotation or tender that brings a contract into existence.

**“Bid”** means 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 Proposal, Request for Tender and Request for Quotation.

**“Bid Protest”** means a dispute raised against the methods employed or decisions made by a contracting authority in the administration of a proposal, tender, or quotation process.

**“Competitive Procurement”** means a set of procedures for developing a procurement contract through a bidding or proposal process. The intent is to solicit fair, impartial, competitive bids.

**“Conflict of Interest”** means a situation in which financial or other personal considerations have the potential to compromise or bias professional judgment and objectivity. An apparent conflict of interest is one in which a reasonable person would think that the professional's judgment is likely to be compromised.

**“Construction”** means construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement.

**“Consultant”** means a person or entity that under an agreement, other than an employment agreement, provides expert or strategic advice and related services for consideration and decision-making.

**“Consulting Services”** means the provision of expertise or strategic advice that is presented for consideration and decision-making.

**“Contract”** means an obligation, such as an accepted offer, between competent parties upon a legal consideration, to do or abstain from doing some act. It is essential to the creation of a contract that the parties intend that their agreement shall have legal consequences and be legally enforceable. The essential elements of a contract are an offer and an acceptance of that offer; the capacity of the parties to contract; consideration to support the contract; a mutual identity of consent or consensus ad idem; legality of purpose; and sufficient certainty of terms.

**“Electronic Tendering System”** means a computer-based system that provides suppliers with access to information related to open competitive procurements.

**“Evaluation Criteria”** means a benchmark, standard or yardstick against which accomplishment, conformance, performance and suitability of an individual, alternative, activity, product or plan is measured to select the best supplier through a competitive process. Criteria may be qualitative or quantitative in nature.

**“Evaluation Matrix”** means a tool allowing the evaluation team to rate supplier proposals based on multiple pre-defined evaluation criteria.

**“Evaluation Team/Committee”** means a group of individuals designated/responsible to make award recommendation. The evaluation team would typically include representatives from the Organization and subject matter expert(s). Each member participates to provide business, legal, technical and financial input.

**“Goods”** means moveable property (including the costs of installing, operating, maintaining or manufacturing such moveable property) including raw materials, products, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form, unless they are procured as part of a general construction contract.

**“Goods and Services/Goods or Services”** means all goods and/or services including construction, consulting services and information technology.

**“Invitational Competitive Procurement”** means any form of requesting a minimum of three (3) qualified suppliers to submit a written proposal in response to the defined requirements outlined by an individual/organization.

**“Non-competitive Procurement”** means procurements that do not require SHIP to formally invite bidders or publish notification of an open forum.

**“Non-disclosure Agreement”** means an agreement where parties agree to disclose information and/or relations they have that may hinder their judgment in the procurement process.

**“Non-discrimination”** means fairness in treating suppliers and awarding contracts without prejudice, discrimination or preferred treatment.

**“Offer”** means a promise or a proposal made by one party to another, intending the same to create a legal relationship upon the acceptance of the offer by the other party.

**“Procurement”** means acquisition by any means, including by purchase, rental, lease or conditional sale, of goods or services.



**“Procurement (Credit) Card (P-Card)”** means an organizational credit card program primarily used for low-cost, non-inventory, non-capital items, such as office supplies. The card allows procurement or field employees to obtain goods and services without going through the requisition and authorization procedure. P-cards may be set up to restrict use to specific purchases with pre-defined suppliers or stores, and offer central billings.

**“Procurement Value”** means the estimated total financial commitment resulting from procurement, taking into account optional extensions.

**“Purchase Order (PO)”** means a written offer made by a purchaser to a supplier formally stating the terms and conditions of a proposed transaction.

**“Request for Expressions of Interest (RFEI)”** means a document used to gather information on supplier interest in an opportunity or information on supplier capabilities/qualifications. This mechanism may be used when a BPS 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)”** means 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 an RFI 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)”** means a 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 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. 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 the pre-qualification.

**“Requisition”** means a formal request to obtain goods or services made within an Organization, generally from the end-user to the procurement department.

**“Segregation of Duties”** means 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. It puts a barrier in place to prevent errors or fraud that may be perpetrated by one individual.

**“Services”** means intangible products that do not have a physical presence. No transfer of possession or ownership takes place when services are sold, and they (1) cannot be stored or transported, (2) are instantly perishable, and (3) come into existence at the time they are bought and consumed.

**“Single Source”** means the use a non-competitive procurement process to acquire goods or services from a specific supplier even though there may be more than one supplier capable of delivery of the same goods or services.

**“Sole Source”** means the use of a non-competitive procurement process to acquire goods or services where there is only one available supplier for the source of the goods or service.

**“Supplier/Vendor”** means any person or organization that, based on an assessment of that person’s or organization’s financial, technical and commercial capacity, is capable of fulfilling the requirements of procurement.

**“Supply Chain Activities”** means all activities whether directly or indirectly related to organizational plan, source, procure, move, and pay processes.

**“Trade Agreements”** means any applicable trade agreement to which Ontario is a signatory.

**“Supplier Debriefing”** means a practice of informing a supplier why their bid was not selected upon completion of the contract award process.

**“Vendor of Record”** means a procurement arrangement that authorizes SHIP to select from one or more prequalified vendors.

## SOURCES

Government of Ontario, Ministry of Finance, BPS Supply Chain Secretariat, *Supply Chain Guideline, Version 1.0*, April 2009.

Government of Ontario, Management Board of Cabinet, *Broader Public Sector Expenses Directive*, April 1, 2011.

Government of Ontario, Ministry of Finance, *Broader Public Sector Procurement Directive: Implementation Guidebook*, April 2011.



## Procurement Approval Form for Procurements Valued at \$1,000 – Under \$5,000

Date:

Initiated by:

Title:

Procurement: Goods ☐ Services ☐ Consulting Services ☐

Procurement Type Required: Quote Number of quotes received (1-3 required; attached)

1. Procurement Description:

2. The procurement is required for: Ongoing operations ☐ One-time requirement: ☐

Note: If the procurement is for ongoing operations, the annual cost must be determined. If the estimated annual cost is \$5,000+, the Procurement Business Case must be completed.

3. If available, provide a list of potential vendors:

4. State the total value: \$ State the estimated annual cost:

5. Is the procurement available through either:

a) SHIP's Vendor of Record (VOR): Yes ☐ No ☐  
If yes, specify the VOR:

b) Shared Procurement Initiative: Yes ☐ No ☐  
If yes, specify the Shared Procurement Contract/Vendor:

### **INITIAL APPROVAL** (Program/Department Manager)

There are funds available for this procurement:

Yes ☐ No ☐

This is a good use of funds:

Yes ☐ No ☐

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
(Print Name) (Print Title)

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(dd/mm/yyyy)

### **SECOND APPROVAL** (Senior Management)

I authorize the funds to be used for this procurement:

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
(Print Name) (Print Title)

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(dd/mm/yyyy)



## Procurement Approval Form for Procurements Valued at \$5,000 - \$24,999.99

Date:

Request for Quote #

Procurement Description:

Initiated by:  
Department/Program:

Title:

Procurement: Goods ☐ Services ☐ Consulting Services ☐

Number of quotes received (1-3 required; attached)

The Evaluation Team comprised of the following staff:

Evaluator #1:

Evaluator #2:

Evaluator #3:

reviewed the quotes received for the procurement of \_\_\_\_\_ on \_\_\_\_\_.

### Evaluation Scoring Sheet summary:

Proponent	Evaluator #1	Evaluator #2	Evaluator #3	Total Score

Based on the results of the procurement evaluation, \_\_\_\_\_ ,  
was chosen as the successful vendor for this procurement.

I authorize the funds to be used for this procurement: ☐ Yes ☐ No

Name:

\_\_\_\_\_  
(Print Name)

Title: C.E.O. ☐ or C.O.O. ☐

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(dd/mm/yyyy)



## Procurement Business Case For Procurements Valued at \$5,000+

The business case is used to obtain management commitment and approval for investment in the procurement process. Projects or investments of any kind should always be supported by an appropriate analysis of the need or rationale for that good or service.

Please complete the following sections and return to the Manager, Quality Assurance.

**Competitive Procurements: Please complete Sections I, II and IV)**  
**Non-Competitive Procurements: Please complete Sections I, III and IV)**

### SECTION I: Procurement Project Summary

For the Procurement Project being proposed, please specify the following:

1. Procurement: Please indicate what type of procurement is proposed and provide a brief description. *(Refer to SHIP's Procurement Policy, Procedures and Guidelines, Approval Authority – BPS Procurement Directive Requirement #2 for the definition of "consulting services").*
2. Procurement Process:  

☐ Competitive  
☐ Non-Competitive
3. Procurement Type:
4. How many Suppliers will be awarded:
5. Does a Vendor of Record List exist:
6. State the :
  - Contract term: *(Maximum contract term not to exceed three years)*
  - Estimated start date:
  - Estimated end date:
7. Provide the projected timeline for the competition process:

### **Purpose of the Procurement Project**

1. Provide an overview of the procurement project.
2. State the objectives of the procurement project.
3. Define the scope of the procurement project.
4. State the deliverables of the project and how they will be measured.
5. The procurement is required for
6. If available, provide a list of potential vendors that may bid on this procurement.

### **Purchase Value**

1. State the total contract value (value over the full contract term plus any extensions).
2. State the annual spend and volume profile (if not equally distributed).
3. Have you investigated if the procurement is available through a shared procurement initiative?

Details:

### **Benefits**

1. Clearly outline the benefits of pursuing this procurement project.

2. Relate how this procurement project supports SHIP's objectives and the business needs of the department(s).
3. Identify financial and operational process benefits.

**SECTION II: Competitive Procurement**  
Complete this section for competitive procurements only.

1. Identify the intended procurement communication methods (e.g., MERX, Newspaper Publications).

If communication method is newspaper or other, please specify:

**Or**

Identify the category of the Vendor of Record (VOR)/Preferred Suppliers List to be used.  
(All registered suppliers in that category must be invited to respond)

2. Contract Type:

Please describe rationale for multiple contracts:

3. If there are current vendors, please complete the following:

	Vendor #1	Vendor #2
Who is the vendor?		
What is the Annual Contract Value?	\$	\$
What is the Contract Expiry date?		
Are there any conditions in existing contracts that will impact the feasibility of conducting the procurement?		
How many years has the vendor provided the good(s) or service(s).		
How has the vendor performed? (If available, attach Vendor Evaluation Form)		



4. Describe how you will mitigate any potential current vendor advantages.
5. Describe any known or potential conflicts of interest. *(Refer to SHIP's Procurement Policy, Procedures and Guidelines, Conflict of Interest – BPS Procurement Directive Requirement #24).*
6. Identify:
  - Any resources (financial, staff, knowledge/skills) required to complete this procurement project successfully.
  - Any subject matter experts, including technical and/or clinical experts that may be required.
  - Any laws, policies, licenses or guidelines that may impact the procurement request.

### **SECTION III: Non-Competitive Procurement**

Complete this section for non-competitive procurements only.

1. Identify the type of non-competitive procurement.  
*(For Sole/Single Sourcing, please refer to SHIP's Procurement Policy, Procedures and Guidelines, Non-Competitive Procurement – BPS Procurement Directive Requirement #21).*
  - ☐ Below competitive threshold requirements
  - ☐ Sole Source (only one available supplier capable of delivering the goods or service)
  - ☐ Single Source (more than one supplier capable of delivering the goods or services)
2. Specify the allowable exception applicable to this non-competitive procurement. *(Refer to the Agreement on International Trade, etc..)*
3. Provide supporting rationale as to why an open competitive procurement method cannot be used to acquire the goods or services.
4. Will the supplier be chosen from a Vendors of Record /Preferred Suppliers List

If NO, state why a Vendor of Record/Preferred Suppliers List cannot be used.

5. If there are current vendors, please complete the following:

	Vendor #1	Vendor #2
Who is the vendor?		
What is the Annual Contract Value?	\$	\$
What is the Contract Expiry date?		
Are there any conditions in existing contracts that will impact the feasibility of conducting the procurement?		
How many years has the vendor provided the good(s) or service(s).		
How has the vendor performed? (If available, attach Vendor Evaluation Form)		

6. Was the current vendor awarded supply of the goods or services through a non-competitive procurement method?

If YES, state why a non-competitive procurement was utilized.

7. Describe any known or potential conflicts of interest.

8. Identify:

- Any resources (financial, staff, knowledge/skills) required to complete this procurement project successfully.
- Any subject matter experts, including technical and/or clinical experts that may be required.
- Any laws, policies, licenses or guidelines that may impact the procurement request.

## SECTION IV

### **Stakeholder Needs**

1. List all stakeholders and provide a description of the impact that the procurement may have.
2. Briefly describe the stakeholder engagement strategy and the intended structure of the stakeholder relationships throughout the procurement.
3. Identify any changes (process, systems, procedural) that may impact the key stakeholders.

### **Risk Assessment**

1. Identify any risks associated with the project and how they can be mitigated.
2. Identify any risks associated with not conducting the procurement project.

### **Recommendations**

Identify any recommendations being made at this time.

### **Relevant Documents**

Please include all relevant documentation and provide a summary of the attached documentation.

Procurement Business Case Completed by:	
Title:	
Department/Program:	
Signature:	Date:

## SECTION V: Procurement Commencement Authorization

### **INITIAL APPROVAL** (Budget Approver)

There are funds available for this procurement:

☐ Yes

☐ No

This is a good use of funds:

☐ Yes

☐ No

***Sign-Off:***

Name:

\_\_\_\_\_  
(Print Name)

Title:

\_\_\_\_\_

Signature:

\_\_\_\_\_ Date: \_\_\_\_\_

(dd/mm/yyyy)

### **SECOND APPROVAL**

***For Procurements Valued at \$5,000 or more, one of two signing authorities is required to authorize the commencement of this procurement.***

I have reviewed the procurement business case:

☐ Yes

☐ No

I authorize the funds to be used for this procurement:

☐ Yes

☐ No

I authorize the commencement of the procurement type outlined in the Procurement Business Case:

☐ Yes

☐ No

***Sign-Off:***

Name:

\_\_\_\_\_  
(Print Name)

Title:

C.E.O. ☐

C.O.O. ☐

Signature:

\_\_\_\_\_ Date: \_\_\_\_\_

(dd/mm/yyyy)



## Conflict of Interest Declaration

(To be completed by each Procurement Employee  
And Procurement Evaluation Team Member)

**BPS TEMPLATE**

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I have read the Supply Chain Code of Ethics (attached) and understand the expectations for ethical conduct. Consistent with the Supply Chain Code of Ethics, I am capable of identifying a situation that constitutes a Conflict of Interest, such as but not limited to:

- I. Engaging in outside employment this is directly related to the proposed vendor/supplier procurement;
- II. Not disclosing an existing relationship that may be perceived as being a real or apparent influence on my objectivity in carrying out an official role;
- III. Providing assistance or advice to a particular vendor participating in a competitive bid;
- IV. Having an ownership, investment interest, or compensation arrangement with any entity participating in the bid process with the organization;
- V. Having access to confidential information related to the procurement initiative; and
- VI. Accepting favours or gratuities from those doing business with the organization.

I agree to abide by Supply Chain Code of Ethics and the Procurement Policies and Procedures in all of my procurement activities. I declare that there are no actual or potential conflicts of interest arising out of my participating in procurement activities, except for the following:

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

To be returned to: Manager, Quality Assurance



## PROCUREMENT CODE OF ETHICS

SHIP's Procurement Code of Ethics is integral to SHIP's Procurement of Goods and Services Policies, Procedures and Guidelines. SHIP's procurement practices are guided by this Code of Ethics and the Ontario Broader Public Sector (BPS) Supply Chain Code of Ethics.

SHIP's procurement principles and practices shall be consistent with applicable provincial and federal laws. All acquisitions will be compliant with provincial and federal laws, trade agreements and related SHIP policies, procedures and guidelines. SHIP's procurement functions will be performed in an open, fair, transparent and competitive manner in order to promote the values of sustainability, fair trade and social responsibility while maximizing cost savings.

### **Ontario Broader Public Sector (BPS) Supply Chain Code of Ethics**

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

#### **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 other stakeholders. 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.

#### **Accountability and Transparency**

Supply Chain Activities must be open and accountable. In particular, contracting and purchasing 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.

#### **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.

At a meeting held on December 21, 2011, SHIP's Board of Directors formally adopted  
The Procurement Code of Ethics.



**SHIP Non-Disclosure Agreement**  
(To be completed by each Procurement Evaluation Team Member)  
**BPS TEMPLATE**

**RE: [RFP Number and Title]**

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I am a participant of the procurement initiative for the Request for Proposal ("RFP") **[RFP Number and Title]** as a **[Role and Title]**.

I acknowledge that I will acquire certain knowledge or receive certain written or oral information (collectively, the Information) which is non-public, confidential or proprietary to the proponents responding to the RFP. If unauthorized parties receive the Information, the interests of either the proponent or SHIP may be severely damaged.

I agree that, unless required by law or in the course of the procurement process, I will keep all the Information confidential. I will not, without the written consent of the SHIP reveal or disclose it to anyone. Nor will I use it directly or indirectly for any purpose other than to gather requirements, develop RFP content, evaluate the proposals or advise SHIP regarding the selection of the proponent for the procurement initiative.

I further agree not to copy or circulate the Information except as a result of the written direction of SHIP. I agree to keep all the procurement documents and templates and written information relating to the RFP in a secure place and to return this documentation to SHIP at their written request. I also agree not to initiate or respond to any external inquiry relating to the RFP.

In addition, unless otherwise required by law, or having obtained the written consent of the SHIP, I will not disclose to any person (other than persons authorized by SHIP) any information about the project and the proposals submitted in response to the RFP. This includes the terms, conditions or other facts relating to the project, the evaluation, the matters discussed by the Evaluation Team and the proposals. This also includes, but is not limited to, the fact that discussions are taking place with respect to these things and their status, or the fact that the Information has been made available to me.

I understand and agree that any delay or failure by SHIP in exercising its rights, powers or privilege does not free me from these obligations. Nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege there under.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

To be returned to: Manager, Quality Assurance



**BPS TEMPLATE**

**"SAMPLE"**

## **Proposal Evaluator Handbook**

**RFP #XXX**

**RFP Title**

**RFP Posted: [Date]**

**RFP Closed: [Date]**

**Evaluation Team Lead: [Name and Title]  
[Contact Details]**



## Introduction

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Thank you for agreeing to participate on the Evaluation Team to review proponent proposals submitted in response to **[RFP #- Title]**. We appreciate and value your commitment and participation on this initiative.

This document outlines the evaluation process and your role and responsibilities as an evaluator. If you have questions after reading this document, please contact **[Procurement Lead]**.

## Goals

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By issuing this RFP, SHIP intends to select a supplier that, through the evaluation process of this RFP, is found to be the best qualified based on rated criteria and most suitable to provide the goods or services to meet the requirements of SHIP.

At the conclusion of the evaluation process SHIP will enter into a contractual Agreement with **[Number]** supplier(s) for the provision of these goods and services for a **[Insert Term and extensions]**.

## Requirements

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**[List Requirements as detailed in the RFP in this Section – provide supplementary information to evaluators as required]**

## Evaluation Team

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Evaluation of the RFP proposals will be performed by the following Team:

### Evaluation Team Lead (“Team Lead”)

1. **[Evaluator Name, Title, Org]**

A Team Lead should be nominated by the Evaluation Team to be responsible for preparing a Summary Evaluation of each proposal reviewed by the team.

### Team Members

2. **[Evaluator Name, Title, Org]**

3. **[Evaluator Name, Title, Org]**

## Evaluation Process

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### Principles of Evaluation

The proposal evaluation process must adhere to the following principles:

#### Defensible

- A clear and logical process must be rigorously applied.

#### Transparent

- Evaluators should conduct assessments individually and independently from other team members and must clearly document their findings in the scoring booklets. Findings must be converted to numeric scores so that there are both a qualitative and a quantitative summary of each proposal. Each Evaluator must clearly document all comments/findings to ensure integrity of the procurement process, as this documentation may be used to debrief proponents. Additionally, evaluation booklets are subject to the Freedom of Information and Protection of Privacy Act (FIPPA) and in this regard can be requested through a Freedom of Information (FOI) request; and
- Final conclusions and award recommendations should be arrived at by team consensus.

#### Integrity

The process should be objective:

- Evaluators must declare all existing and potential conflicts of interest.
- Evaluators must sign a declaration attesting that all existing and potential conflicts of interests were disclosed.

Confidentiality and security must be ensured:

- **Evaluators are not to discuss the evaluation with each other prior to the evaluation team meeting.**
- **Evaluators are not to discuss the evaluation with anyone outside the Evaluation Team .**

Evaluation process must be objective and fair:

- Only material submitted as part of the RFP submission and material obtained by formal clarification can be evaluated;
- No communication with proponents is allowed. Evaluators must sign a Non Disclosure Agreement to this effect, and must maintain that condition during and after the RFP process; and
- All bids must be treated in the same manner and given equal consideration.

### Documented

- The process must be documented to support selection of the ultimate proponent and to facilitate debriefing of unsuccessful proponents;
- All documentation must be clear and concise to facilitate future scrutiny such as audits and requests through an FOI application; and
- The process and results must be summarized, documented and retained for future public scrutiny.

Note: Evaluation Handbooks are reviewed and held by SHIP as the custodian of the official procurement file.

## **Stages of Proposal Evaluation**

### Review Mandatory Requirements

Each proponent's written submission must comply with all the mandatory requirements as set out in the RFP. Proposal submissions that do not comply with any of the mandatory requirements should be disqualified and not evaluated further. The Team Lead is to conduct this part of the Evaluation Process.

### Evaluation of Written Submissions

The Evaluation Team's responsibility is to review the proponents' written submissions to determine a shortlist of proponents.

At the conclusion of the individual evaluation and scoring, a consensus meeting will be convened to arrive at the consensus score for each proposal by discussion and, in the case where a consensus score cannot be reached, an averaging of each Evaluator's final scores. A master consensus document will be developed by the Team Lead based on the findings from the consensus meeting and will contain a summary of the Evaluators' comments for all of the rated criteria of the RFP.

### Scoring the Rate Bid Form or Pricing

The Rate Bid Form or Pricing must be evaluated after the completion of the Rated Criteria. The Team Lead will conduct this part of the Evaluation Process.

Points will be assigned to each proposal using the following formula:

$$\text{XX points} \times \frac{\text{lowest bid price}}{\text{proponent's bid price}} = \text{points awarded}$$

For example, if the lowest proposal "A" is \$2 and proposal "B" is \$4, proposal "A" will receive 100% of the available 40 points, and proposal "B" will receive  $40 \times \$2 / \$4 = 20$  points.

### Cumulative Score

Cumulative Score	Weighting (Points)
Rated Criteria	XX points
Rate Bid Form/Pricing	XX points
<b>Total Available Points</b>	<b>XXX points</b>

### Tie Scores

There must be clear winner to support award recommendation. If there is no clear winner (tied score between proponents), SHIP must follow the tie-break procedures as defined in the RFP.

## **Scoring Method**

Rated criteria have been developed for this evaluation and have been detailed in this document. The rated criteria are identical to the published criteria in the RFP. The process for scoring these criteria is outlined below.

In applying scores through the evaluation process, evaluators should note that proposals are evaluated against the Evaluation Team's expectations of what are acceptable responses to the criteria. For consistency, the following table describes the characteristics attributable to particular scores between 0-100 and is **inserted as an example of acceptable evaluation responses**.

<b>Score</b>	<b>Characteristics</b>
0 - 39	➤ Submission is unacceptable; demonstrates little understanding of the requirements; criterion is absent from submission
40 - 69	➤ Submission is not adequate; misses key requirements
70 - 79	➤ Submission meets basic expectations and requirements
80 - 100	➤ Submission meets and exceeds expectations and requirements, clearly demonstrates an understanding of program requirements and details how services will be provided to meet stated standards/expectations/service levels

**Each Evaluator must maintain working notes of their evaluation in their individual scoring booklet noting positive/negative attributes and general comments for each criterion.** The team will produce a summary showing the scoring allocated to each submission, together with a written justification of their scoring.

### **Questions and Answers during the Evaluation Period**

Evaluators may request clarification at any time during the evaluation period by forwarding questions to the Procurement Lead who will ensure that the question is answered by a subject matter expert and made available to all Evaluation Team members.

## Responsibilities of Evaluators

### Individual Scoring of Proposals

1. Review the RFP and addenda/attachments fully and thoroughly, with particular focus on the evaluation criteria.
2. Review proposals, assign points and write corresponding comments to support each individual score. Comments are necessary to support your evaluation and will be used to conduct debriefings with unsuccessful proponents. Minimal comments and incomplete sentences are insufficient and may leave the impression that due diligence was not applied during the evaluation. Evaluation booklets can potentially be requested through a Freedom of Information (FOI) request.

Note: Each Evaluator could be requested to justify their comments at a later date.

3. Evaluate proposal content and not style. Presentation styles will vary from expensive glossy to straightforward letter proposals. It is critical that the focus be on content only and in accordance with the pre-established evaluation criteria as set out in the RFP document.
4. Assess each proposal independently of the other submissions. Rate compliance with each criterion separately
5. Review all information in the proposal. If the Evaluators find information in the proposal, but not where it is technically supposed to be located, they must take the information into account.
6. Proponents' responses are to be scored solely on whether they answer the RFP the way they were instructed and whether they provide an adequate solution.
7. Evaluators must sign their final individual scoring sheets.
8. After the individual portion of the evaluation has been completed, Evaluators will meet to discuss their responses, clarify inconsistencies, and to determine what their final group consensus or average scores will be. These scores will be multiplied by the total points allocated per deliverable in order to determine a weighted score per deliverable. Weighted scores will be added to determine the final score for each proponent in the rated criteria section.
9. The Team Lead will then prepare the Consensus Evaluation Summary for each proposal evaluated by the team by coordinating all comments and feedback from the team members in order to provide the proponent with an overall summary of the strengths and weaknesses of their proposal. This Summary Consensus will be signed by each member of the Evaluation Team.

## **Proposal Information Clarifications**

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If the Evaluation Team determines that information supplied by a proponent requires clarification, the question should be formulated in writing. All contact with proponents for the purpose of obtaining clarification will be through the Procurement Lead in conjunction with the appropriate legal counsel, if required. **Under no circumstances may a member of any Evaluation Team contact any proponent directly to obtain clarifications on a proposal.**

## **Completion of Scoring Sheets**

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After completion of the evaluation, all summary material and individual Evaluators' notes must be collected (please ensure that the scoring booklets are legible) and presented to the Procurement Lead. Working papers/records of the evaluation process must be assembled to ensure that a thorough audit trail is established. All Evaluators must sign and date the front cover of all of their Scoring Sheets. The scoring sheets are provided below.



## Evaluator Scoring Sheet

RFP [RFP number]

[RFP title]

[RFP Title]				Evaluator: (Print Name)	
Full Legal Name of Proponent:				Title:	
Date of evaluation:				Signature:	
Proposal meets the key criteria? (Yes/No):					
Available Score for General = XX points	Available Score for Specifications = XX points	Available Score for Service, Support, Training, Warranty = XX points	Available Score Experience and Qualifications = XX points	Total Rate Criteria Score = XX points	
Proponent's Score =	Proponent's Score =	Proponent's Score =	Proponent's Score =	Proponent's Score =	



### Completion of Scoring Sheets

Every section MUST be filled out by Evaluators including qualitative comments to support ALL scoring.

ITEM	<b>RATED CRITERIA</b> <b>**SAMPLE CRITERIA**</b>	WEIGHT	EVALUATOR'S SCORE	STRENGTHS	PAGE #	WEAKNESSES
(a)	Organizational Stability	X points				
(b)	Personnel	X points				
(c)	Safety Standards	X points				
<b>Proponent Total Score – General</b>		<b>X points</b>				
(d)	Product/Service/Solution Description or Design	X points				
(e)	Quality	X points				
(f)	Delivery Time/Availability	X points				
<b>Proponent Total Score –Specifications</b>		<b>X points</b>				

ITEM	<b>RATED CRITERIA</b> <b>**SAMPLE CRITERIA**</b>	WEIGHT	EVALUATOR'S SCORE	STRENGTHS	PAGE #	WEAKNESSES
(g)	Service/Support	X points				
(h)	Training	X points				
(i)	Warranty	X points				
<b>Proponent Total Score – Service, Support, Training, Warranty</b>		<b>X points</b>				
(j)	Experience	X points				
(k)	Qualifications	X points				
(l)	References	X points				
<b>Proponent Total Score – Experience and Qualifications</b>		<b>X points</b>				
<b>Proponent Total Score</b>		<b>XX points</b>				

## Contract Award Letter BPS TEMPLATE

[Insert date here]

[Insert proponent's name here]

[Insert proponent's full address here]

Attention: [Insert proponent's contact name here]

**SUBJECT: Notice of Award:** [Insert RFP Number and Title of RFP/RFT here]

---

SHIP is pleased to advise that you are the selected proponent pursuant to the above-noted procurement process.

Enclosed please find **three (3) copies** of the Agreement for your signature. Please return all copies of the executed Agreement as well as the following documentation to the address set out below within **fifteen (15) calendar** days of receipt of this notice:

**- [List any additional documentation requirements or authorization forms]**

Failure to provide these documents to SHIP within the specified timeline may result in the rescission of your selection in accordance with the rules of this procurement process.

Following execution of the Agreement by SHIP one original signed copy will be returned to you for your records.

Please be advised that this notice of award letter should not be construed as permission from SHIP to begin the work detailed in the Agreement. SHIP will not be responsible or liable for any expenses related to the Deliverables, and the selected proponent is not to accept work requests prior to the execution of the Agreement SHIP. Work may begin pursuant to the Agreement when:

- (a) the Agreement signed by both parties is returned to the selected proponent, and
- (b) written permission is expressly given to the Supplier by SHIP Representative to begin work under the Agreement.

If you have any questions concerning this process, please contact **[contact's name]** at **[contact's phone number]**.

Sincerely,

**[Insert signatory's name and title here]**

## Award Notification Letter to Unsuccessful Bidders

### BPS TEMPLATE

[Insert date here]

Solicitation Number: [Insert RFP/RFT Number and Title here]

Issue Date: [Insert Date here]

Close Date & Time: [Insert Date and Time here]

Award Date: [Insert Date here]

Successful Proponent: [Insert Successful Proponent's Name here]

**SUBJECT: NOTICE OF AWARD**

---

This notice is to advise that the contract has been awarded to [Name of the successful Proponent] pursuant to the above-noted procurement process.

SHIP would like to take this opportunity to thank all proponents for responding to the above referenced procurement opportunity for the provision of [Insert Project Description].

In accordance with section [Insert from the Posted Competitive Document], unsuccessful proponents are entitled to a debriefing meeting, during which they will be provided with feedback regarding their submission. In order to be debriefed, unsuccessful proponents must issue a request to SHIP within 60 days from the date of this notice.

If you have any questions concerning this process or would like to request a debriefing, please contact.

[Contact's name]

[Contact's title]

SERVICES AND HOUSING IN THE PROVINCE (SHIP)  
969 Derry Road East, Unit 107  
Mississauga, Ontario  
L5T 2J7

Phone: [Contact's phone number]

Fax: 905-795-1129

Email: [Contact's e-mail]

Sincerely,

[Insert Signatory's Name and Title here]



## Contract Review Checklist

RE: [RFP Number and Title]

Contract Element	Suggested Reviewer	Sign off using initials		Comments
		Yes	No	
<b>IDENTIFICATION OF THE PARTIES</b> 1. Are all the parties to the contract identified and are the legal names used?	Manager, Quality Assurance			
<b>EFFECTIVE/EXECUTION DATE</b> 1. Can you identify the date the contract terms go into effect and the date it is signed?	Manager, Quality Assurance			
<b>TERM</b> 1. Is the length of the contract specified? 2. Does it renew automatically with mutual party agreement?	Manager, Quality Assurance			
<b>TERMINATION</b> 1. If the contract was terminated, was it without cause? 2. Is it possible to cancel/terminate the contract for failure to perform?	Manager, Quality Assurance			
<b>INSURANCE/LIABILITY ISSUES</b> 1. Are the types of insurance applicable to the business relationship? 2. Specify what types of insurance are applicable to the business relationship? a. Comprehensive General Liability b. Professional Liability/E & O c. Worker's Compensation d. Property e. Business Auto f. Bonds	C.O.O.			

Contract Element	Suggested Reviewer	Sign off using initials		Comments
		Yes	No	
<b>INSURANCE/LIABILITY ISSUES</b> (Continued) <ol style="list-style-type: none"> <li>Does the contract require that the contracting party (contractor) provide insurance?</li> <li>Are the types of insurance specified, and if so, are the specified types appropriate to the contract services to be provided?</li> <li>Are the required limits of insurance coverage specified, and if so, are the limits appropriate to the potential liability exposure?</li> <li>Does the contract require that the contracting party provide evidence of insurance or a certificate of insurance for each insurance required?</li> <li>Does the contract require that the entity be notified of material change or cancellation of the contracting party's coverage?</li> <li>Does the contract give the entity the right to cancel the contract in the event of insufficient or lack of appropriate insurance coverage as required?</li> <li>Does the contract specify that the insurance requirement will outlive the term of the contract? Is there an appropriate indemnification/hold-harmless clause based on which party has "control" or ownership of the liability exposure?</li> </ol>	C.O.O.			
<b>INDEMNIFICATION/HOLD-HARMLESS</b> <ol style="list-style-type: none"> <li>Is the indemnification mutual?</li> <li>Are the parties assuming liability for only their own negligent acts?</li> </ol>	C.O.O.			
<b>PERFORMANCE OF THE PARTIES</b> <ol style="list-style-type: none"> <li>Is there a full description of each party's obligations and responsibilities?</li> <li>Are the financial arrangements understandable and reasonable?</li> </ol>	Manager, Quality Assurance			

Contract Element	Suggested Reviewer	Sign off using initials		Comments
		Yes	No	
<b>AMENDMENTS/EXHIBITS</b> 1. Are all reference documents (“amendments” or “exhibits”) attached?	Manager, Quality Assurance			
<b>GOVERNING LAW</b> Is the province in which the contract terms are implemented or executed the governing law?	C.O.O.			
<b>CONTRACT SIGNATURES</b> 1. Are the names, signatures, and titles of the parties represented on the signature page?	Manager, Quality Assurance			
<b>CONFIDENTIALITY</b> 1. All parties must commit to not disclosing the confidential information of the other party, including all personal health information, and commercial, proprietary or technical information of each party.	Manager, Quality Assurance			
<b>INTELLECTUAL PROPERTY RIGHTS</b> Are intellectual property rights addressed?	C.O.O.			
<b>NOTICES</b> Notice provisions: i.e. where and to whom each party must send notices, as required under the agreement.	Manager, Quality Assurance			
<b>ASSIGNMENT</b> The parties should not have the ability to assign the agreement without the prior written consent of the other party.	Manager, Quality Assurance			
<b>DISPUTE RESOLUTION CLAUSE</b> Does the agreement contain a dispute resolution clause, which can start with informal discussions between senior management of each party and end with binding arbitration?	Manager, Quality Assurance			
<b>EXCLUSIVITY CLAUSE</b> 1. Does the agreement contain a clause that limits rights to purchase goods or obtain services from another party?	Manager, Quality Assurance			

**SIGN-OFF**

Reviewer's Name (Print):		Reviewer's Name (Print):	
Reviewer's Signature & Initials:		Reviewer's Signature & Initials:	
Date Reviewed:		Date Reviewed:	
Reviewer's Name (Print):		Reviewer's Name (Print):	
Reviewer's Signature & Initials:		Reviewer's Signature & Initials:	
Date Reviewed:		Date Reviewed:	





## Procurement Record Checklist

RE: [RFP Number]

RE: [RFP Title]

A record of the procurement process documentation includes:

Documentation Elements	Filed in Master File		Comments
A copy of the procurement justification or business case including the closing date and time for tender.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Scope of work, plans specifications and any subsequent amendments or addenda.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
List of vendors/contractors receiving sent tender documents, including date mailed (if applicable).	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Information regarding all supplier consultations, including any requests for information, undertaken in the development of the procurement business case and/or procurement documents.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Evidence that all required approvals were obtained. (eg. Procurement Business Case)	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Copies of all procurement documents used to qualify and select the supplier (eg. Sample Proposal Evaluator Handbook).	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Where the procurement was conducted through a Vendor of Record arrangement, information regarding the second-stage selection process used to select the vendor of record.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Where the procurement was single or sole sourced, documented justification, applicable exemptions and associated approvals (eg. Procurement Business Case).	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Copies of all advertisements of procurement documents.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

Documentation Elements	Filed in Master File		Comments
Copies of all successful and unsuccessful responses, submissions, proposals and bids received in response to procurement documents.  (eg. Conflict of Interest Declaration, SHIP Non-Disclosure Agreement, Contract Award Letter, Award Notification Letter to Unsuccessful Bidders).	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Information regarding any issues that arose during the procurement process.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Information regarding all evaluations of submissions, proposals and bids received in response to procurement documents. (eg. Evaluator Scoring Sheet)	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Information regarding all vendor debriefings including written documentation of the offer of vendor debriefing (eg. Vendor Debriefing Template)	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Copies of all award letters, notices and posted announcements (eg. Contract Award Letter).	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Copies of Agreements.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Information regarding all changes to the terms and conditions of the Agreement, including any changes that resulted in an increase in the Agreement price.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Information regarding the management of the supplier, how the supplier's performance was monitored and managed and, where applicable, mechanisms, used to transfer knowledge from the supplier to organization staff.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Risk assessment information and recommendations; where applicable.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Contractor security screening decisions; where applicable.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Information regarding all protests, disputes or supplier complaints regarding the procurement including any Agreement disputes.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Evidence of receipt of deliverables.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

Documentation Elements	Filed in Master File		Comments
Any other documentation as identified by the organization including: 1. Copy of purchase order 2. Contract Inspection Report <ul style="list-style-type: none"> <li>Worker's Safety Insurance Clearance Certificate</li> <li>Evidence of payment of holdbacks as required 45 days after substantial performance of contract</li> <li>Evidence of alternate performance security and release, insurance certificates or Performance and Labour and material payment bonds where required.</li> </ul>	Yes <input type="checkbox"/> Yes <input type="checkbox"/> Yes <input type="checkbox"/> Yes <input type="checkbox"/> Yes <input type="checkbox"/>	No <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	
Terms of Reference	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Expense Claim and Reimbursement Rules	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

Completed by: \_\_\_\_\_

Date: \_\_\_\_\_



## Vendor Debriefing Template

**BPS TEMPLATE**

### Vendor Debrief Information

BPS Organization Name:	RFP Number and Title:
Debriefing Request Date Received:	Proponent Company Name:
Debrief Facilitator Name and Contact:	Proponent Representative Attendees Name and Contact Information:
Debriefing Date and Location:	Name and Contact Information of Other Participants:

### Document Checklist

- ☐ Evaluation Scoring Sheets
- ☐ Strengths and Weaknesses Summary
- ☐ Name(s) and Address(es) of all Suppliers who Participated in the Procurement (optional)
- ☐ Contract Award Notice

**Strengths and Weaknesses:** Provide a summary of the key strengths and weaknesses of the Proponent's response.

Strengths:

Weaknesses:

Future Improvements:

**Issues:** Include any identified issues during the vendor debrief. Document all issues in the space below and escalate to senior management or legal counsel accordingly.

Issue(s):

Issue(s) escalated to the following individuals:

**Other:** Note any other relevant topics, notes, and summaries in the section below.

<b>Formal Closure of Debrief Session:</b>				
	<b>Organization</b>	<b>Names</b>	<b>Signatures</b>	<b>Date</b>
Debrief Facilitator				
Proponent Representative				
Procurement Lead				
<b>Additional Comments:</b>				



## SHIP P-Card Request Form

### Employee Information

Name: \_\_\_\_\_

Position Title: \_\_\_\_\_

Department/Program: \_\_\_\_\_

\_\_\_\_\_  
Employee Name  
(Print Name)

\_\_\_\_\_  
Signature

### Approval

#### Purchase Limits:

The following maximums will be applied:

Monthly Limit: \_\_\_\_\_

I authorize a P-Card be issued to the applicant stated above.

\_\_\_\_\_  
Director, Finance or Designate  
(Print Name)

\_\_\_\_\_  
Signature

### P-Card Distribution

SHIP Scotiabank P-Card # \_\_\_\_\_ has been issued  
to \_\_\_\_\_ on \_\_\_\_\_.

My signature below indicates that I am responsible for following the P-Card policies and procedures and will reconcile all goods and services procured by use of the SHIP P-Card issued to me in a timely manner. Failure to do so may result in forfeiture of the P-Card.

\_\_\_\_\_  
Employee Name  
(Print Name)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Director, Finance or Designate  
(Print Name)

\_\_\_\_\_  
Signature



# SHIP P-Card Cancellation Form

I, \_\_\_\_\_ are hereby relinquishing possession of the SHIP P-Card assigned to me. It has been destroyed\* in my presence by the Finance Manager or designate on \_\_\_\_\_.

**Reason for P-Card Cancellation**

- ☐ Termination\*
- ☐ P-Card no longer required\*
- ☐ Lost / Stolen
- ☐ Worn-Out / Defective\*
- ☐ Other\*, please specify:

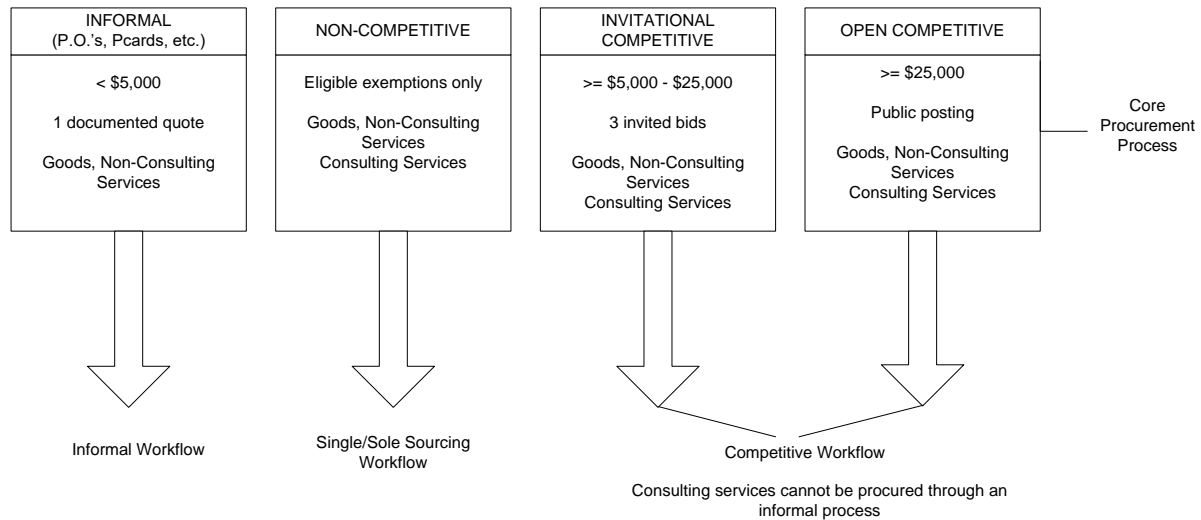
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**\* P-Card destruction required**

_____ Employee Name (Print Name)	_____ Signature
_____ Finance Manager or Designate (Print Name)	_____ Signature

# CORE PROCUREMENT WORKFLOWS

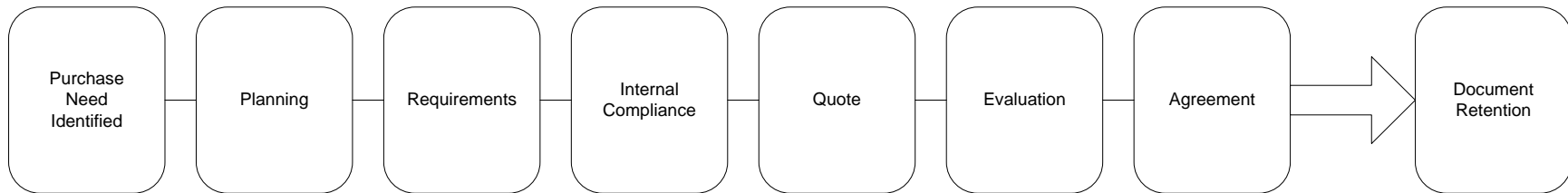
The following diagram illustrates the 4 procurement processes to 3 workflows:



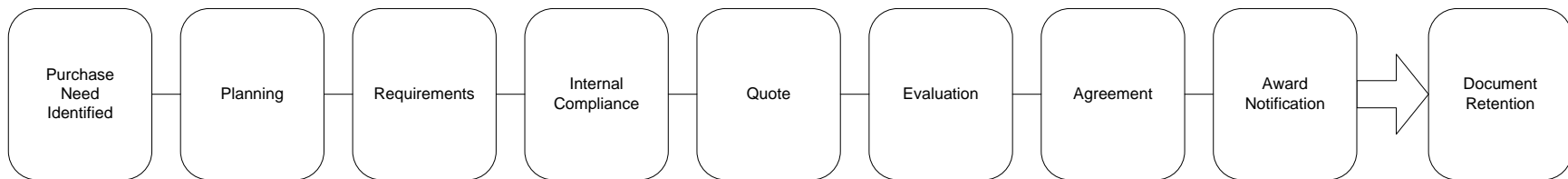


## CORE PROCUREMENT WORKFLOWS

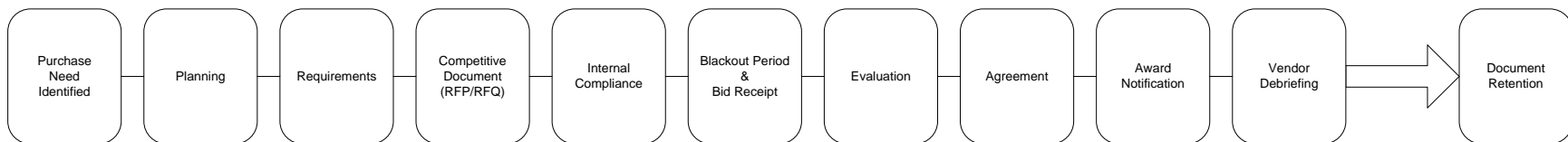
### ***Informal Workflow***



### ***Non-Competitive Workflow***

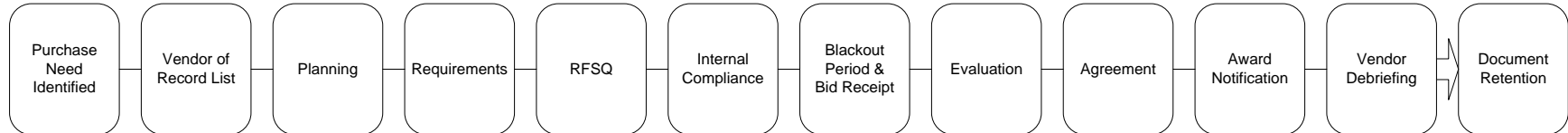


### ***Competitive Workflow (Open Competitive & Invitational Competitive)***

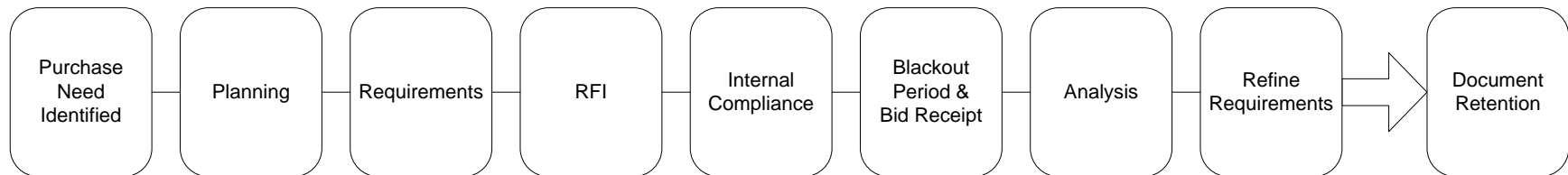


## SUPPORTING PROCUREMENT WORKFLOWS

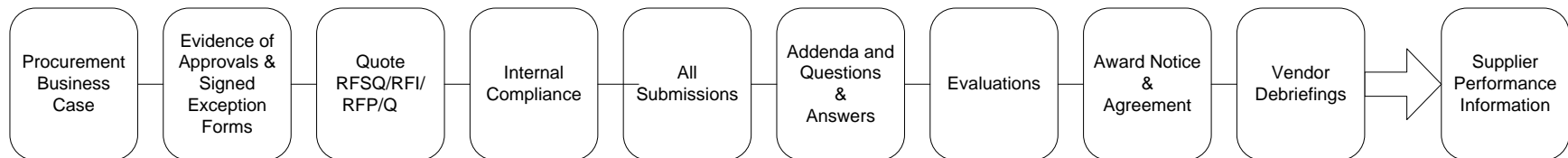
### ***RFSQ (Request for Supplier Qualification)***



### ***RFI (Request for Information)***



### ***Document Retention***



## PROCUREMENT STRATEGIES

The table below, provided by the Ministry of Finance, BPS Procurement Directive Implementation Guidebook, April 2011, describes some of the strategies that SHIP can use. It also indicates the mandatory requirements of the Directive that SHIP is to follow when conducting procurement.

Method	Procurement Description	Intent to Enter into Contract A/ Contract B	Applicable Mandatory Requirements
<b>Competitive</b>			
RFT, RFQ	Organization sets all terms of Contract A and B; award is based on price/delivery terms	Both	All
RFP	Organization sets all terms of Contract A and B; award is based on price and other factors	Both	All
<b>Competitive (Continued)</b>			
RFP, RFT, RFQ	Organization sets all terms of Contract A and specifies what terms of Contract B are negotiable*	Both	All
RFSQ	<ol style="list-style-type: none"> <li>Two-stage selection process: Create pre-qualified suppliers list or VOR list.</li> <li>Select a supplier from pre-qualified supplier's list or VOR list by utilizing process outlined in the RFSQ.</li> </ol>	<ol style="list-style-type: none"> <li>Both</li> <li>Both</li> </ol>	All
RFI, RFEI	Market research to determine procurement strategy without committing to awarding work	Neither	1,2,4,6,7,23-24
<b>Non-Competitive</b>			
Single Source, Sole Source	Negotiation of all terms of the agreement	No Contract A	1-3; 15; 17; 21-22
* Terms that are essential or mandatory to the agreement should not be subject to negotiation. Organizations should keep the negotiable terms at a minimum level to ensure fairness, transparency and accountability.			

The procurement strategies listed above are considered leading practice. SHIP will utilize these strategies consistently with principles of openness, fairness and transparency.

### **REQUEST FOR TENDER/REQUEST FOR QUOTATION**

#### *Process Applicability*

An RFT or RFQ is used where SHIP is able to formulate clear and definite delivery and performance requirements, terms and conditions. Work is awarded based, predominantly or solely, on price and delivery requirements.

### *Process Steps*

1. Purchase Need Identified: to determine core procurement process to initiate;
2. Planning: to define procurement scope and assemble an evaluation team;
3. Requirements: to define procurement specifications such as evaluation criteria and contract;
4. Create/Issue RFT or RFQ Document: to complete, approve and post a competitive document (RFT/RFQ);
5. Blackout Period and Bid Receipt: to ensure fair treatment of all proponents;
6. Evaluation: to determine the highest-ranking submission based on evaluation criteria;
7. Agreement: to offer a contract to the highest-ranking bidder and obtain contract signatures;
8. Award Notification: to notify all participants that a successful supplier was selected; and
9. Supplier Debriefing: to accommodate all suppliers requesting a debriefing session.

### *Comments*

Contract A sets out the deliverable requirements, evaluation criteria and reserved rights of the Organization, determined in accordance with business and legal requirements, the Directive and applicable trade agreements.

Typically, Contract A requires the supplier to enter into Contract B, and sign the attached form of the Contract B. Terms of Contract B may be specified as negotiable or non-negotiable. In a typical RFT or RFQ, most of the terms of Contract B are non-negotiable.

## **REQUEST FOR PROPOSAL**

### *Process Applicability*

An RFP is used where SHIP requires solutions for the delivery of complex goods or services or, where explicitly required, to provide alternative options or solutions. Price is not the sole factor in awarding work agreements.

### *Process Steps*

1. Purchase Need Identified: to determine core procurement process to initiate;
2. Planning: to define procurement scope and assemble an evaluation team;
3. Requirements: to define procurement specifications such as evaluation criteria and contract;
4. Create/Issue RFP Document: to complete, approve and post a competitive document (RFP);
5. Blackout Period and Bid Receipt: to ensure fair treatment of all proponents;
6. Evaluation: to determine the highest-ranking submission based on evaluation criteria;
7. Agreement: to offer a contract to the highest-ranking bidder and obtain contract signatures;
8. Award Notification: to notify all participants that a successful supplier was selected; and
9. Supplier Debriefing: to accommodate all suppliers requesting a debriefing session.

## *Comments*

Contract A sets out the deliverable requirements, evaluation criteria and reserved rights of the Organization, determined in accordance with business and legal requirements, the Directive and applicable trade agreements.

Typically, Contract A requires the supplier to enter into Contract B and sign the attached form of the Contract B. Terms of Contract B may be set as negotiable or non-negotiable within the RFP.

SHIP should keep the negotiable terms at a minimum level to ensure fairness, transparency and accountability. Terms that are essential or mandatory to the agreement should not be subject to negotiation. In a typical RFP, most or all terms of Contract B should be non-negotiable.

## **REQUEST FOR SUPPLIER QUALIFICATIONS**

### *Process Applicability*

An RFSQ is used to gather information about supplier capabilities and qualifications, with the intention of creating a pre-qualified supplier list or a VOR arrangement. An RFSQ is the first stage in a two-stage selection process. The second stage consists of issuing an RFP, RFT or RFQ to the pre-qualified suppliers or vendors of record.

### *Process Steps*

#### **STAGE 1**

1. Purchase Need Identified: to determine core procurement process to initiate;
2. Planning: to define procurement scope and assemble an evaluation team;
3. Requirements: to define procurement scope and specifications, as well as determine evaluation criteria for suppliers to be placed on the pre-qualified supplier list or VOR list;
4. Create/Issue RFSQ Document: to complete, approve and post a competitive document;
5. Blackout Period and Bid Receipt: to ensure fair treatment of all proponents;
6. Evaluation: to determine qualified suppliers based on evaluation criteria;
7. Agreement: obtain contract signatures and enter into contract with suppliers and create pre-qualified supplier list or VOR arrangement;
8. Award Notification: to notify all participants that a VOR list was selected; and
9. Supplier Debriefing: to accommodate all suppliers requesting a debriefing session.

#### **STAGE 2**

1. Create/Issue second-stage competitive procurement documents (RFT/RFQ or RFP).

## *Comments*

Directive Mandatory Requirement #5 requires Organizations to specify in an RFSQ that there is no guarantee that work will be awarded to any supplier who responds to an RFSQ. It is important to specify the selection process in an RFSQ to ensure that the rules are clear to suppliers submitting responses.

## **REQUEST FOR INFORMATION/REQUEST FOR EXPRESSION OF INTEREST**

### *Process Applicability*

An RFI and RFEI are used to assess supplier capabilities or to conduct market research, without the intention of evaluating the responses or awarding a contract.

### *Process Steps*

1. Purchase Need Identified: to determine core procurement process to initiate;
2. Planning: to define procurement scope and assemble an evaluation team;
3. Requirements: to define procurement specifications;
4. Create/Issue RFI/RFEI Document: to complete, approve and post a competitive document (RFI/RFEI);
5. Blackout Period and Bid Receipt: to ensure fair treatment of all proponents;
6. Analysis: to review all eligible submissions; and
7. Refine Requirements: to refine procurement specifications to inform a subsequent competitive document (RFP/RFQ/RFT).

### *Comments*

Directive Mandatory Requirement #4 states that a response to an RFI/RFEI must not pre-qualify a potential supplier and must not influence their chances of being the successful proponent on any subsequent opportunity. The information received in response to an RFI or RFEI may be used for the purposes of a subsequent competitive process.

## **NON-COMPETITIVE PROCUREMENT**

### *Process Applicability*

Non-competitive procurement of goods and non-consulting services valued at \$100,000 or more or consulting services of any value may take place only in the circumstances identified in Section 10.3.4 of this Guidebook.

### *Process Steps*

1. Purchase Need Identified: to determine core procurement process to initiate an approval to bypass competitive process (single or sole sourcing);
2. Planning: to define procurement scope;
3. Requirements: to define procurement specifications and receive sign-off;
4. Quote: to obtain a quote and corresponding documentation;
5. Evaluation: to perform necessary evaluation; and
6. Agreement: to offer an agreement to the supplier and obtain signatures.

### *Comments*

Non-competitive procurement involves negotiating the terms of the agreement.

## **ALTERNATIVE PROCUREMENT STRATEGIES**

SHIP may use procurement strategies that are not listed above, as long as these strategies do not contradict the requirements of the Directive. Entering into binding agreements under Contract A/Contract B is not the only strategy that SHIP can use. When adopting an alternative procurement strategy, SHIP will consult with its legal advisors to ensure compliance with the Directive.

## CONTRACT MANAGEMENT WORKFLOW

