

Procurement and Contracts Policy (POL0033-04)

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1. PURPOSE

The purpose of this policy is to obtain maximum overall value for all funds spent by the Ontario Medical Association (“OMA”) in the purchasing of quality goods, professional and consulting services. The primary approach to meeting this objective is through procurement strategies, practices and procedures that support sound business decisions and encourage fair, open and transparent competition.

2. SCOPE

This Policy applies to all employees (“Staff”), and to the Board of Directors, who have a role in procurement, materials management and other supply chain processes and decisions for or on behalf of the OMA and subsidiaries, except for subsidiaries that are contractually bound under the Broader Public Sector Directives.

3. DEFINITIONS

These definitions identify words used within this document and throughout the OMA, so that the meaning and scope are clear for those applying this Policy to their working roles.

<i>Business Terms</i>	The business details within the Contract, e.g. term of Contract, termination provisions, renewal provisions, description of goods and/or services to be purchased, amounts payable, payment terms, amount payable on termination, confidentiality provisions. These do not include the Legal Terms (see below).
<i>Services</i>	Services is the provision of expertise or strategic advice that is presented for consideration and decision-making.
<i>Contract</i>	A legally binding agreement between the OMA that recognizes and governs the rights and duties of the parties to the agreement.
<i>Contract Owner</i>	The staff member specified as the Contract Owner for a contract currently in effect.
<i>Evaluation Team</i>	A group of individuals designated/responsible to make the contract award recommendation. Each member participates to provide business, legal, technical and financial input. The Evaluation Team may include the Procurement Manager/Finance, Contract Owner, Line Director and others as appropriate.
<i>Legal Terms</i>	The details within the Contract, other than the Business Terms, which have a special legal significance, usually identified in the Contract Terms and Conditions.
<i>Procurement Manager</i>	The member of the Finance department who leads and coordinates the procurement process, working closely with Contract Owners.
<i>Requesting Department</i>	A department that has requisitioned goods and/or services.

4. ETHICAL CONDUCT AND GUIDING PRINCIPLES

The good reputation and integrity of the OMA and its employees is of utmost importance. Staff are expected to maintain “arm’s length” relationships and conduct all procurement activities in an ethical and lawful manner.

When carrying out procurement activities, staff shall comply with the OMA’s Code of Conduct Policy #: POL0049-04-(2019 –12-01).

5. POLICY

5.1 SEGREGATION OF DUTIES

Effective internal controls include both the delegation of authority and the segregation of duties across functions and between individuals. OMA shall segregate duties in the procurement process as set out in the table below:

Role	Description	Who
Requisition	Authorization to place an order	Client Department
Budget	Verification that funding is available to cover the cost of the order	Client Department
Commit	Authorize release of the order to the supplier under agreed-upon contract terms	Finance
Receive	Acknowledge that the goods/services are received, correct and complete	Client Department
Payment	Authorize release of payment to the vendor	Finance

5.2 SIGNING AND AUTHORIZATION LEVELS

When carrying out procurement activities, staff shall comply with the signing and authorization levels set out in Tables 1 and 2 below.

5.2.1 Requisition Approval Authority

To initiate procurement of goods and/or services the requesting department must fill in an electronic Purchase Requisition using the Financial Information System (FIS). All additional information such as Scope of Work (SOW), specifications, quantity and suggested suppliers shall be provided with the requisition.

Purchases of goods and/or services **for any dollar value** are initiated when a properly authorised requisition is received by the Finance Department. This includes any revisions or amendments that affect the value or intent of any type of purchase order or contract. It is the responsibility of the Requesting Department to ensure that the requisition is authorised by the appropriate authority and that funds are available for the purchase.

The originator of a requisition has the authority to approve up to the dollar limit delegated to their position (see Table 1). If the original requisition is greater than their delegated authority then it must be signed by the appropriate authority above the originator’s position. This form of one-over-one requisition approval is required to provide assurance that a financial control process is in place and that due diligence has been exercised.

Table 1. Requisition Approval Authority (Within Annual Approved Budget)

Delegated Authority Level	Total Purchase Amount
CEO	> \$1,000,000
CFO	<\$1,000,000
Controller	<\$500,000
Head, Client Department	<\$250,000
Head of Service Level	Up to \$50,000

5.2.2 Contract Approval and Signing Authority Limits

Contracts, purchase orders, standing offers, supply arrangements, assignments, go-ahead letters and messages, letters of intent, consents to subcontract, termination notices, and amendments to any of the above are approved and signed as follows:

Table 2. Contract Signing and Approval Authorities (for goods and services)

Approving Authority	Original Value	Amended Value
Chair of the Board or FAC Chair	>\$1,000,000	Up to \$500,000
CEO	< \$1,000,000	Up to \$250,000
CFO	< \$750,000	Up to \$100,000
Controller	< \$500,000	Up to \$50,000
Procurement Manager	< \$ 50,000	--

Please note:

1. Contracts: Any two of the above signing officers can bind the OMA contractually as per Table 2 above.
2. Two Signature Exemption: Any purchase below \$5,000 is exempt from a written contract and will not require two signatures. Instead a Financial Information System generated PO will be issued. Supporting documents, such as quotes, must be attached to the requisition.

6. PROCUREMENT THRESHOLDS

Table 3 below sets out the procurement method that must be used according to the estimated value of the purchase.

Table 3. Procurement Method

Goods and Services	
Total Procurement Value (excluding HST)	Method of Procurement (excluding HST)
Up to but not including \$50,000	Non-Competitive. Written quote(s) required.
\$50,000 up to but not including \$150,000	Invitational Competitive.*
\$150,000 or more	Open Competitive**

*** Invitational Competitive Procurement**

A method of procurement that involves an invitation by the OMA in the form of a Request for Proposals (RFP) directed to three or more qualified vendors to bid on the supply of products and/or services to the OMA.

**** Open Competitive Procurement**

A method of competitive procurement that involves a public RFP from qualified vendors to supply products and/or services, involving formal documentation and rules of engagement between the requestor and prospective bidders, to ensure fairness and transparency in the procurement process.

7. EXEMPTIONS and NON-APPLICABILITY OF COMPETITIVE PROCUREMENT

Certain special circumstances require a non-competitive procurement. A non-competitive procurement method may be used only as prescribed in Table 4 below.

Table 4. Non-Competitive Procurement

Non-Competitive Procurement	
All non-competitive requirements must be justified in writing and approved by the CFO.	
<p>Single Sourcing The use of a non-competitive procurement method to acquire goods or services from a specific supplier even though there may be more than one supplier capable of delivering the same goods or services.</p>	<p>Single sourcing may be used in the following specific circumstances:</p> <ul style="list-style-type: none"> a. Where an unforeseen situation of urgency exists and the goods, or services cannot be obtained by means of an Open Competitive Procurement. It must be limited in scope (i.e. limited period of time or limited quantities until such time when a procurement process is conducted openly). The urgency must be justified in writing and approved by the CFO. b. Where there is an absence of any bids in response to an Open Competitive Procurement that has been conducted in compliance with this document. In such circumstance an invitational non-competitive method of procurement will be used.
<p>Sole Sourcing The use of a non-competitive procurement method to acquire goods or services where there is only one available supplier for the source of the goods or service.</p>	<p>The situation where only one supplier is able to meet the requirements of procurement, OMA may sole source in the following circumstances:</p> <ul style="list-style-type: none"> a. To ensure compatibility with existing products/services, to recognize exclusive rights, such as exclusive licenses, copyright and patent rights. b. For work to be performed on or about a leased building or portions thereof that may be performed only by the landlord.

8. ROLES and RESPONSIBILITIES

Table 5 below clarifies the roles and responsibilities of OMA employees at each stage of the procurement process. The Finance Department is responsible for overseeing procurement. Client Departments and/or the Finance Department may request other departments for assistance as required.

Table 5. Roles and Responsibilities

Description	Client	Finance
Stage 1: Requisition		
a. Develop Statement of Work (SOW) defining the requirements, identifying the deliverables and establishing the timelines	✓	
b. Budget verification	✓	✓
c. Initiation and Approval of a Purchasing Requisition	✓	
Stage 2: Procurement Process*		
a. Creation of bid/tender documents**	✓	✓
b. Bids receipt and tabulation		✓
c. Evaluation of Bids	✓	✓
d. Vendor negotiations	✓	✓
Stage 3: Contract		
a. Contract/Purchase Order creation		✓
b. Approval and signatures		✓
Stage 4: Receipt		
a. Receipt of Goods/Services	✓	
Stage 5: Payment		
a. Payment for Goods/Services received		✓

* Procurement Process is defined as a series of tasks associated with the acquisition of goods and services from an external source.

** Tender documents are any of the following: Request for Quotation (RFQ), Request for Proposals (RFP), Request for Standing Offer (RFSO), Request for Information (RFI), Expression of Interest (EOI).

9. PROHIBITED ACTIVITIES

The following activities are expressly prohibited:

- Splitting of Requisitions is not permitted. Any attempt to divide a single procurement into multiple procurements to reduce the estimated value of a single procurement and circumvent prescribed approval thresholds indicated in Table 1 above.
- The acceptance of gifts, goods and/or services for personal use is not encouraged. (See Code of Conduct Policy.)

10. ADVERTISING and POSTING COMPETITIVE REQUIREMENTS

The advertising and posting practices during a competitive process must use accepted mediums to uphold the principles of fair, open and transparent dealings; to encourage maximum competitive response; and to ensure that suppliers have a positive experience in dealing with the OMA. Client departments will use OMA's website, or any other publicly recognized site to post the requirements.

11. COMMUNICATIONS DURING the BIDDING PROCESS

The competition process begins when the competitive procurement documents are issued and ends on the closing date; this is commonly referred to as the “blackout period.” The procurement staff is responsible for managing the process through to contract award. During the blackout period in all competitive situations, all communication with suppliers involved in the process must occur formally, through the staff member identified in the competitive documents. During the bidding process, the procurement documents may be clarified or modified through an addendum.

All Addenda must be issued at least three (3) days prior to the closing date. If an addendum is not issued within three (3) days of the closing date, the date should be extended accordingly.

12. TIMELINES for POSTING COMPETITIVE DOCUMENTS

All publicly advertised bids must provide suppliers a minimum response time of 15 calendar days for procurements valued at \$150,000 or greater. The timeline should also take into account the complexity of the procurement and the time needed by the organization to properly disseminate the information. The procurement documents will state the submission date and closing time which is set for a normal working day from Monday to Friday, excluding provincial and national holidays.

13. EVALUATION OF BIDS

13.1 Bid Receipt

All eligible bids must be submitted by the closing time specified in the competition document. Submissions received after the closing time will not be considered.

The process for opening electronic bids is as follows:

- a. Direct all bids into a designated folder;
- b. Do not open any bids until after the competitive process has closed;
- c. Allow Client Department access to the designated folder;
- d. Open the bids following the same process that was documented in the posted competitive documents.

13.2 Evaluation Criteria

Every competitive process must establish evaluation criteria. The evaluation criteria will be used by the bid evaluation team, to decide which bid should be selected.

Evaluation criteria and weightings must be developed, reviewed and approved before the competitive process begins. These criteria must be included in the competitive documents. The competitive documents must also identify those criteria that are considered mandatory and any technical standards that need to be met. The evaluation criteria cannot be changed or altered once the competitive process has begun.

13.3 Evaluation Process

The first step in the evaluation process is to determine if submissions are compliant with mandatory requirements. Submissions may be considered to be materially compliant, but certain clarifications may be sought. Materially non-compliant submissions should be rejected.

13.4 Evaluation Team

Every competitive procurement requires an Evaluation Team that will be responsible for reviewing all the compliant bids and scoring each of those bids.

Evaluation Team members must be aware of the restrictions related to confidential information shared through the competitive process and refrain from engaging in activities that may create or appear to create a conflict of interest.

14. CONSENSUS SCORING and SELECTION PROCESS

Each member of the Evaluation Team must complete an evaluation matrix rating each of the suppliers. Records of evaluation scores must be auditable. Evaluators should be aware that everything they say or document must be fair, factual, and fully defensible and may be subject to the scrutiny of OMA members.

When the contract award is being made based on the highest overall score or best value, the Evaluation Team must select only the highest ranked submission(s) that have met all mandatory requirements set out in the related procurement documents.

When the contract award is being made based on the lowest price, the team must select the supplier providing the lowest total lifecycle cost.

Unless expressly requested in the procurement documents, the Evaluation Team must not consider alternative strategies or solutions proposed by a supplier.

15. NON-DISCRIMINATION

OMA must refrain from any discrimination or preferred treatment in awarding a contract to the qualified supplier from the competitive process. Decisions based on discrimination may be subject to bid protests or disputes from those suppliers feeling that the process may have been unfair or biased.

16. AWARD NOTIFICATION

Once the preferred supplier has been selected and the contract has been awarded and signed, OMA will notify vendors in writing or may post the notice on its website www.OMA.org

17. RECORDS RETENTION

For reporting and auditing purposes, all procurement documentation, as well as any other pertinent information will be retained in a recoverable form for a period of seven years in accordance with the OMA's policy on maintaining the suppliers' confidential and commercially sensitive information.

18. SUPPORTING/REFERENCED DOCUMENTS AND TEMPLATES

OMA conducts procurement activities according to the law in Ontario, including contract law, the law of competitive processes, privacy legislation, accessibility legislation and any other legislation as may be applicable.

Use Type	Document Title
Mandatory	Delegation of Authority Policy
Mandatory	Code of Conduct Policy

19. DOCUMENT ROLES/ACTIONS

POSITION	ACTIONS
CEO	Approve operating policies and/or procedures.
Senior Management	Provide guidance on Policy/procedure.
Records Management	Maintain original documentation for archiving.
Department Directors / Managers	Monitor department compliance with this Policy. Obtain training for employees, if required.
Employees	Acknowledge as required and comply with policies/procedures.

Author: Terry Caputo, Chief Financial Officer



June 24, 2020

Approved By: CEO



Approval Date

June 24, 2020

Approved By: Chair of the Board



Approval Date