

# THE AGENCY FOR CO-OPERATIVE HOUSING

## POLICY MANUAL

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### 1. Introduction

- 1.1 This Policy sets out the Agency's rules for the procurement of goods and services. Procurement across the entire Agency is the responsibility of the Director, Corporate Services, who develops appropriate procurement procedures.
- 1.2 The Agency follows procurement processes that satisfy its operational requirements and provide best value. The processes must be honest, fair, transparent, competitive, efficient and accountable, and, where practicable, must provide for open access to all qualified vendors.
- 1.3 All of the Agency's procurement activities must withstand the test of public scrutiny and conform to the terms of its policies on ethical conduct, sustainability, financial accountability and outsourcing.

### 2. Application

- 2.1 The Procurement Policy applies to all Agency staff who carry out procurement tasks and to any others who may conduct procurement activities on the Agency's behalf.
- 2.2 This policy applies to the procurement of all goods and services, whether by purchase, lease or rental, including outsourced services. For the purposes of this Policy, all such acquisitions are referred to as "procurements" or "purchases."

- 2.3 This Policy is not concerned with the hiring of staff, which the Agency's human resources policies address.
- 2.4 The Director, Corporate Services guides and advises staff and others as they carry out such procurement tasks as developing procurement strategies, identifying vendors and seeking bids, evaluating vendor responses, negotiating contracts and monitoring vendor performance.

### 3. **Definitions**

Within this Policy, the following definitions apply:

**(a) Goods**

“Goods” are one or more objects, devices or materials that the Agency may buy or otherwise acquire. The cost of goods includes the cost of installing them.

**(b) Services**

“Services” are one or more activities performed for the benefit of the Agency outside of an employer-employee relationship.

**(c) Sole-Source Procurement**

“Sole-source procurement” occurs when only one supplier can meet a particular requirement.

**(d) Single-Source Procurement**

“Single-source procurement” occurs when, instead of following a competitive process, the Agency approaches only one supplier to fulfill a requirement, from among more than one available vendor.

**(e) Standing Offer**

A “standing offer” means an agreement with a supplier to purchase goods or services at specified pricing, terms and conditions on more than one occasion, usually over an extended period of time.

#### 4. **Competitive Procurement**

For material procurements, the Agency normally seeks to obtain best value through solicitation of binding offers for goods and services from multiple suppliers at the same time. The Agency can undertake competitive procurement in the following ways:

- **simple price comparison**—comparing the price at which required goods or services are available from two or more suppliers to identify the best value;
- **invitational tendering**—inviting bids from a select group of at least two qualified suppliers;
- **public tendering**—inviting bids through a public process, such as a request for proposals posted on a publicly accessible electronic tendering site;
- **solicitation of standing offers**—inviting bids through either an invitational or a public tendering process for the provision of certain types of goods and services where delivery is required over a longer period of time, with the objective of securing them at a pre-determined price and on specified terms and conditions.

#### 5. **Choice of Procurement Method**

5.1 Except as set out in paragraphs 5.3, 6 and 8, the Agency refers to the following thresholds in determining which procurement method to use.

**(a) Procurement up to \$10,000**

Unless the goods or services are available under an existing standing offer, the Agency normally makes material purchases of goods or services costing \$10,000 or less, exclusive of recoverable taxes, using the simple-price comparison method to determine which supplier offers the lowest price for goods or services of the same quality. Single-sourcing is permitted, if reasonable in the circumstances and provided the Agency gets good value.

**(b) Procurement over \$10,000**

- i. For purchases of over \$10,000, the Agency normally uses the invitational or public tender or standing offer method of procurement.
- ii. With the Chief Executive Officer's approval and where only one supplier can meet a particular requirement, sole-source procurement for a purchase of over \$10,000 is permitted. Agency staff must document the circumstances to explain the absence of competition.

- iii. With the Board of Director's approval and where circumstances warrant, single-source procurement for a purchase of over \$10,000 is permitted. The rationale must be documented for the Board.
- iv. The Agency may avail itself of CMHC or Government of Canada standing offers with suppliers, provided the offers meet all the criteria necessary to comply with this Policy.

## **5.2 Contract Splitting**

Contract splitting, or the practice of unnecessarily dividing a requirement to be filled by a single supplier into a number of smaller contracts with the same supplier in order to avoid the competitive procurement rules of this Policy, is not permitted.

## **5.3 Emergency Procurement**

In a pressing emergency, Agency personnel may use single-sourcing, but must document the circumstances in the purchase records.

## **6. Professional Services**

- 6.1 The Agency's Board of Directors selects the Agency's legal counsel, normally on the CEO's recommendation. Because of the important role played by an organization's lawyer as a trusted professional advisor, a competitive selection process is not followed. The Agency's legal counsel may engage on the Agency's behalf or refer Agency personnel to other legal advisors having expertise in specialized areas, as appropriate.
- 6.2 The Agency's sole member, the Co-operative Housing Federation of Canada, has the exclusive authority to appoint the Agency's external auditor and is not bound by the procurement rules set out in this Policy in doing so.

## **7. Exclusive-Supplier Contracts**

Exclusive-supplier contracts are permitted when the Agency expects to benefit from volume discounts for its aggregate needs or from the convenience of acquiring goods and services from one reliable supplier, provided a competitive process is followed to choose the supplier in the first instance.

## **8. Buying Groups**

Because the viability of group-buying programs is only assured where those programs offer best value and follow transparent and accountable procurement processes, the requirements of this Policy respecting competitive procurement will be deemed to have been met where the Agency elects to acquire particular goods or services through a buying group of which it is a member, including buying groups sponsored by the Co-operative Housing Federation of Canada and the Co-operative Housing Association of Eastern Ontario.

## **9. Environmentally Responsible Procurement**

The Agency fully supports the principles of sustainable development and is dedicated to integrating sound environmental practices into its procurement activities.

To this end, wherever practicable, the Agency will give preference in its procurement practices to goods that are

- certified green;
- made from recycled materials;
- energy-efficient;
- recyclable;
- non-toxic;
- packaged minimally;
- sourced locally;
- returnable to the supplier, in whole or in part, at the end of their life cycle.

## **10. Rights to Intellectual Property**

10.1 Whenever intellectual property is created through procured services, the Agency normally owns the rights to it and stipulates in its solicitation documents its intention to retain these rights.

10.2 “Intellectual Property” includes patents, trademarks, copyrights, industrial designs and trade secrets, whether in publications, videos, software and electronic information, training materials, research reports or general information about the Agency’s programs.

## **11. The Procurement Process**

The process followed in procuring goods or services varies depending on the value of the procurement and the procurement method chosen. The steps set out below serve as a general guide for all material procurements undertaken by the Agency, including outsourcing.

**(a) Planning**

Before purchasing, the Agency clarifies what product or service it requires, the quantity needed and the required delivery date or dates. Planning includes arranging spending approval in advance of the procurement, choosing the procurement method and setting all selection criteria.

As appropriate, before proceeding with the acquisition of a major capital asset or undertaking the development of a major information-system project, the Agency will carry out a cost-benefit analysis. The Agency's analysis will follow accepted best practice for such studies, as reflected in guidelines on the subject issued by the Treasury Board of Canada or other reputable authorities.

**(b) Statement of Work or Goods**

A statement of work or goods is drawn up describing in detail exactly what the Agency requires from the supplier and listing contact information and deadlines.

**(c) Request for Proposals**

The Agency prepares and issues a request for proposals (RFP), as appropriate, according to the type of procurement selected.

- i. The RFP is prepared using the Agency's standard RFP template.
- ii. Requests for proposals are posted on the Agency's website and an appropriate electronic public tendering system, such as MERX.
- iii. The RFP must specify a closing date for the submission of proposals that is no earlier than 15 days following the posting of the RFP.
- iv. In order to test the market response, the RFP may stipulate that interested vendors must submit an expression of interest by an earlier date.
- v. Where interest in the RFP is strong, the Agency may prequalify interested vendors, for instance, by asking them to submit a statement of qualifications.
- vi. The RFP must require bidders to describe briefly how their business policies and practices are consistent with the principles of sustainability.
- vii. RFPs for services must stipulate that the Agency will consider proposals from bidders resident anywhere in Canada who can provide the required

services effectively on competitive terms.

- viii. The RFP sets out the vendor selection criteria. For all procurements with an estimated value of over \$25,000, the Agency will offer unsuccessful bidders an opportunity for a debriefing on the Agency's evaluation process and choice of vendor. Among other considerations, the debriefing will address the vendor's sustainability practices.

**(d) Standing Offers**

The Agency from time to time solicits bids for standing offers. This process is used when the goods or service will be needed repeatedly and cannot be supplied internally. The solicitation process normally follows the process described above for RFPs.

**(e) Payment Options**

The Agency must state clearly the method, timing and amount of payments due to the supplier before signing the contract or making the purchase.

**(f) Contract Award**

Selection criteria set at the planning stage should guide the selection of the winning proposal. Both in simple-price comparison purchasing and in formal tendering processes, it is not always appropriate to choose the lowest bid or price, since the underlying objective is best value for money.

**(g) Contract Management**

Normally, the staff member responsible for conducting the procurement manages the contract with the help of the Director, Corporate Services or his or her designate.

**(h) Evaluating and Reporting**

Agency staff members are encouraged to record any comments about the quality of the goods or service obtained, and any communications with the supplier in this regard, to help with future decisions about using the same supplier.

**(i) Amending Contracts**

Any amendment to an executed contract must be approved by the Chief Executive Officer.

**12. Purchasing Card**

The Agency may provide an authorized credit card to employees who purchase goods and services for the Agency. Agency credit cards are intended to facilitate necessary spending within approved budget limits, in place of excessive use of cash advances or petty cash (e.g., for travel and meeting costs). Agency credit cards will not be made available other than to employees.

**13. Relationship to Contractors**

The Agency must avoid creating through its procurement activities employee-employer relationships with contractors. If, substantively, the relationship with the supplier would be seen by a court of law or government authority as an employee-employer relationship, the Agency may not retain the supplier as an independent contractor.

**14. Resolution of Disputes**

As part of all formal requests for proposals, the Agency outlines procedures for resolving disputes in a timely and cost-effective manner. The CEO reviews any supplier complaint, forwarded in writing, about the awarding or management of a contract for goods or services. The CEO may decide to investigate the complaint or to propose that a mutually acceptable third party meet with the disputant and an Agency representative to resolve the dispute.