



**SUBJECT: CONTRACTS AND TENDERS - QUOTATION REQUIREMENTS/
PROCEDURES/EVALUATION**

POLICY:

This policy establishes the criteria for obtaining Tenders/Bids for contracts for goods and services valued at under \$100,000. In adhering to generally accepted business practices, Ongwanada ensures that the best-end-cost of materials and services are purchased; while, at the time, dealing fairly and equitably with all vendors.

PROCEDURES - GENERAL:

- 1.0 Contracts covering the acquisition of supplies, services (including construction) and equipment valued at over \$100,00 shall be dealt with under Policy #1-10-07 Supply Chain Management.
- 2.0 Requests for quotations for goods and services valued at under \$100,000 will be processed by the Coordinator, Support Services or designate.
 - 2.1 Employees of Ongwanada may only be authorized to request or to receive quotations on behalf of the organization with the prior approval of the Coordinator, Support Services. The requisitioning (user) Department and the Coordinator, Support Services will act in partnership to ensure the policy of identifying, adjudicating and selecting suppliers is adhered to.
 - 2.2 Requisitioning (user) departments must provide specifications allowing for sufficient time to obtain bids, normally two to three weeks.
 - 2.3 Every effort will be made to ensure that the goods to be purchased are environmentally friendly, to the extent that they can be re-cycled or re-used. In the case of large item purchases (such as photocopiers and computer equipment), the Coordinator, Support Services will investigate the vendors ability to dispose of obsolete items in an environmentally-responsible manner.
- 3.0 A minimum of three (3) bids will be required for all purchases having a value of \$500 or more. (This does not preclude the need for purchasing to ensure that the best-end-cost is obtained for purchases under \$500.)
 - 3.1 In the case where Ongwanada decides to participate in a contract negotiated by groups, i.e. the Ontario Hospital Association's "HealthPro", no bids will be necessary.
 - 3.1.1 The Executive Director shall, on an annual basis, approve the participation of group purchasing programs upon the recommendation of the Assistant Executive Director, Finance and Support Services.
 - 3.2 It is a standard practice for vendors who hold a current contract for the provision of products or services to protect their market share by offering an extension or complete replacement of the current contract prior to its expiry. Usually this offer contains concessions which would be of some benefit to Ongwanada. Under such circumstances, if in the opinion of the Coordinator, Support Services, the new offer contains benefits that may not be improved upon through the bid process, these provisions shall be detailed and submitted to the Assistant Executive Director, Finance and Support Services for approval together with a request to omit the bid process. The Assistant



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Executive Director, Finance and Support Services shall then recommend to the Executive Director for approval to omit the bidding process.

- 3.3 It is recognized that other instances may preclude the ability to obtain bids such as single source items, urgency of need and the like. In all such cases the file will be supported by a document detailing the reason for not obtaining bids and will be forwarded to the Coordinator, Support Services for approval.

4.0 STANDING PURCHASE ORDERS

- 4.1 Standing Purchase Orders are issued, monitored and terminated according to Policy #1-10-08 Standing Purchase Orders.

5.0 CONFLICT OF INTEREST

- 5.1 A conflict of interest is defined as a conflict between the employee's personal and/or business interests and his/her responsibility as an employee. This includes actual or perceived conflict (see Ongwanada Policy #1-10-05 Conflict of Interest - Ongwanada Staff).
- 5.2 Where a conflict of interest situation may or does arise, the employee shall report the situation as outlined in Policy #1-10-05, Conflict of Interest - Ongwanada Staff.

6.0 QUALITY STANDARDS

- 6.1 All goods and materials purchased relative to repairs and operations will comply and be acceptable to the standards and specifications as determined by the Coordinator, Maintenance and Housekeeping. This may take the form of Canadian Standards Association (CSA), Underwriters Laboratory (ULC) or Technical Safety Standards Association (TSSA) bodies.
- 6.2 Any product, equivalent to those already accepted as satisfactory, must be tested and approved in whatever manner deemed necessary prior to procurement and utilization.

7.0 PURCHASES MADE ON BEHALF OF ONGWANADA CLIENTS

- 7.1 Ongwanada may, with prior approval of the client/nearest relative/Office of the Public Guardian and Trustee, purchase goods and services for reimbursement by the client's personal funds.
- 7.2 Under such circumstances, the process to purchase goods for clients will follow the same principle as for non-client personal purchases.
- 7.3 Appropriate documentation of the purchase will be maintained with the client's financial records.
- 7.4 If goods are purchased through Ongwanada's Coordinator, Support Services, it is the responsibility of the staff member associated with the client program to solicit, summarize and recommend to the



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Coordinator, Support Services the appropriate supplier.

- 7.5 Purchases made on behalf of clients for an amount in excess of \$300 require the written approval of the Executive Director

8.0 PURCHASES MADE ON BEHALF OF ONGWANADA NON-PROFIT HOUSING CORPORATION (ONPHC)

- 8.1 Purchases or service agreements made on behalf of the ONPHC will be subject to formal written quotation requirements as outlined in Section 14.2 for all contracts and services valued at over \$25,000.
- 8.2 Every party with which ONPHC enters into a relationship (relationship, arrangement, contract or agreement) costing \$2,000 or over must:
- 8.2.1 Be given a copy of the Ministry of Municipal Affairs and Housing Directive Number 97-04, Conflict of Interest Directive for Non-Profit/Co-operative Housing Providers;
 - 8.2.2 Provide a signed Conflict of Interest Declaration prior to entering into the relationship.
 - 8.2.3 Attach the Waiver for signature by both ONPHC and the supplier as part of the contract or agreement.
 - 8.2.4 The Coordinator, Support Services, is responsible for obtaining the above documentation and forwarding a copy to the Executive Director's office. The Coordinator, Support Services, will maintain an index of all transactions requiring Conflict of Interest Declaration.

9.0 LATEX PURCHASING PRECAUTIONS

- 9.1 Upon receipt of a Purchase Requisition or approval for supplies/equipment, Purchasing shall prepare a Purchase Order to include a statement directing the Supplier to inform Ongwanada before the Purchase Order is filled, of the presence of natural or synthetic rubber latex in the product requested
- 9.2 If the Supplier identifies the presence of natural or synthetic rubber latex, Purchasing shall:
- 9.2.1 request from the Supplier a complete description of the contents and amounts of natural or synthetic rubber latex contained in the product;
 - 9.2.2 if appropriate, request if the Supplier has an alternate, latex-free product to substitute for the original order;
 - 9.2.3 if latex is identified and no latex-free substitute is available, Purchasing shall inform the originating Department of the identified latex in order determine if the order should (a) be cancelled or, (b) in conjunction with Occupational Health, identify steps to be taken to mitigate the use and potential risks associated with the introduction of the product in to



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- Ongwanada;
- 9.2.4 if a decision is made to cancel the order, Purchasing shall inform the supplier and rescind the Purchase Order;
- 9.2.5 if a controlled introduction of the product to Ongwanada is chosen, Occupational Health shall inform the Senior Manager of the originating Department of the purchase of a product containing natural or synthetic latex and provide education and training related to the product's introduction.

10.0 LIST OF QUALIFIED VENDORS

- 10.1 Requisitioning (user) departments are encouraged to recommend vendors who will be invited to bid/tender.
- 10.2 In the interest of maintaining good relations with our vendors and recognizing the cost involved in preparing quotations, only qualified vendors will be invited to submit a bid. Qualified vendors will be determined by the Coordinator, Support Services.

11.0 BID RIGGING AND VENDOR COLLUSION

Bid rigging occurs when bidders agree among themselves to eliminate competition in the procurement process, thereby denying the public a fair price.

- 11.1 Ongwanada shall adopt the Organization for Economic Development and Cooperation (OECD) Guidelines titled: Checklist for Designing the Public Procurement Process to Reduce the Risks of Bid Rigging in order to educate and equip the organization to detect and prevent vendor bid rigging and collusion. Steps shall include:
- Markets that are susceptible for bid rigging;
 - Low number of bidders;
 - Standardized products that do not change over time;
 - Encourage strong participation by bidders
 - Have clear requirements and allow for unpredictability in the tender process
 - Limit communication between bidders
 - A clear description of the award criterion in the tender specifications to encourage maximum bidder participation
 - Training to Purchasing Department staff about bid rigging
- 11.2 Appropriate training will help procurement staff to design a procurement process that is less susceptible to bid rigging.
- 11.3 Purchasing Department shall develop a data base that contains past and present bid results will assist staff to detect potential problems quickly and help to rectify them. An audit of this database shall be performed annually, in September.
- 11.4 As appropriate, Ongwanada shall conduct informal interviews with bidders who have stopped participating in tenders, or who have lost a number of bids, in order to aid in identifying design



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problems in the tendering process.

12.0 LOW-VALUE QUOTATION REQUESTS

Low-Value quotations are required for:

- 12.1 all orders up to \$1,000;
- 12.2 must be supported with a written confirmation of the bid for orders valued at between \$1,000 to \$3,000
- 12.3 shall be recorded on a Comparative Bid Sheet (Comparative Bid Sheet Low-Value And Written Quotations) which shall include the following vendor information:
 - 12.3.1 supplier name and address;
 - 12.3.2 quantity required;
 - 12.3.3 expected delivery date;
 - 12.3.4 price;
 - 12.3.5 applicable taxes; and
 - 12.3.6 any other data to determine best end cost.
 - 12.3.7 total cost.
- 12.4 Completed Comparative Bid Sheet Low-Value And Written Quotations shall be attached to the original requisition.
- 12.5 A file is prepared containing:
 - Completed Comparative Bid Sheet Low-Value And Written Quotations
 - Purchase Requisition/Purchase Order
 - Any supporting documentation (Including Administrative Reports)
 - Any correspondence related to the purchase (including approval memos, etc.)
- 12.6 All documents must be maintained by the Assistant Executive Director, Finance and Support Services for a minimum of 7 years from the end of the fiscal year to which they relate (Policy #1-2-02 Records Management)
- 12.7 The file shall be named according to the following naming convention:
 - Location where work performed/item purchased
 - Description of work/item (in no more than 2 words)
 - Month/year work performed/item purchased
- 12.8 Files shall be filed by assigned Tender number in Support Services.



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13.0 WRITTEN QUOTATION REQUESTS

Written quotation requests are required for:

- 13.1 Volume purchase agreements, services, capital equipment orders, project/construction work and contracts valued at over \$3,000.
- 13.2 Any occasion where permanent documentation is advisable.
- 13.3 Project/construction work:
 - 13.3.1 The requisitioning department (usually Maintenance) will prepare detailed specifications, provide drawings for the work to be carried out and submit a list of suggested bidders to the Coordinator, Support Services.
 - 13.3.2 Where bids for work are such that the cost is similar and the work is such that it may be split among two or more of the bidders, this practice will be encouraged. The practice of continual repetitive use of one particular contractor is discouraged.
 - 13.3.3 The Coordinator, Support Services will monitor all such awards and report repetitive use of a vendor/contractor by a user department to the Assistant Executive Director, Finance & Support Services. (as well as user department.)
- 13.4 Computer hardware/software:
 - 13.4.1 Where appropriate, the Assistant Executive Director, Finance & Support Services will provide the Coordinator, Support Services with specifications and a list of suggested bidders.
 - 13.4.2 Subsequent bids will be submitted in writing to the Coordinator, Support Services.

14.0 WRITTEN QUOTATION - PROCESSING

- 14.1 A Request for Quotation (RFQ) number is assigned by the Coordinator, Support Services to the file for which quotes are being requested and shall be referred to on all correspondence in regards to the file.
- 14.2 A request for quotation is typed and sent to the eligible bidders stating:
 - 14.2.1 the Request for Quotation (RFQ) number;
 - 14.2.2 a detailed description of requirements including quantities when available;
 - 14.2.3 applicable tax exemptions;
 - 14.2.4 closing date and time; and
 - 14.2.5 a statement to read: "Please note that the lowest bid will not necessarily be accepted. Ongwanada reserves the right to reject any or all bids and cancel the Request for Quotation



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at any time."

- 14.3 A file will be prepared according to the Request for Quotation (RFQ) number and subject.
- 14.4 As quotations are received, the face of the envelope will be stamped with a "date received" stamp. They will remain unopened and filed in the appropriate RFQ file.
- 14.5 As soon as all bids have been received and no later than the closing date/time of the bid, the file will be retrieved and given to the Coordinator, Support Services.
- 14.6 Any quotation after the closing date/time will not be accepted and will be returned unopened to the vendor with a letter of explanation, signed by the Coordinator, Support Services.
- 14.7 Where there are insufficient quotations (less than 3), the Coordinator, Support Services may extend the closing date.
- 14.8 A register is maintained of the Request for Quotation (RFQ) number, subject, closing date and the name of the successful vendor, along with the purchase order number for future reference. Unsuccessful bidders shall be notified that the bid has been closed and awarded. These will be signed by the Coordinator, Support Services.
- 14.9 All information gathered shall be filed with support documentation.
- 14.10 The Request for Quotation (RFQ) file will then be closed.

15.0 REQUEST TO EXTEND CLOSING DATE

In the event that a vendor requests an extension to the closing date/time of the bid, the following procedures shall be followed:

- 15.1 the Coordinator, Support Services will contact the requisitioning department to ensure that any delay will not interfere with their schedule and cause undue delay;
- 15.2 once an agreement for an extension is made, all vendors requested to quote will be made aware of the new closing date/time by the Coordinator, Support Services; and
- 15.3 Support Services will be advised and the date changed on the RFQ file.

16.0 QUOTATION EVALUATION

The following procedures shall be followed to determine which vendor will be awarded the order:

16.1 Low-Value Bids

- 16.1.1 When the buyer used the Low-Value quotation process, all information required to make



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the appropriate decision will be transcribed directly to the prepared bid sheet submitted to the Coordinator, Support Service;

16.1.2 The Coordinator, Support Services shall award an order generally based upon the lowest bidder, each company's overall proposal and taking into consideration the weighted importance of:

- quality;
- price and time period if it is firm;
- F.O.B. point;
- payment terms;
- expected delivery date;
- applicable taxes; and
- any other factor affecting the costs of goods and services.

16.2 Written Bids

16.2.1 Where the sealed bid approach has been used (where written bids have been requested), they will be opened in the presence of the Coordinator, Support Services and the Assistant Executive Director, Finance and Support Services/delegate (or in the case of a maintenance quotation, in the presence of the Maintenance and Housekeeping Services Coordinator), who will witness the opening by initialling all pages of the original quotes. At least two sets of initials are required for bid opening. Pending the availability of either of the above, the Executive Director or any Assistant Executive Director shall witness the opening of sealed bids.

16.2.2 Bids received after the closing date and time will not be accepted and will be returned unopened to the vendor with a letter explaining the reason for rejection. These will be signed by the Coordinator, Support Services.

16.2.3 In the case of construction type bids, the Maintenance and Housekeeping Services Coordinator shall participate in the opening and witness the bid.

16.2.3 There will also be instances where other user departments should participate in the opening of bids. The Coordinator, Support Services will use discretion in these instances in an effort to allow user departments to participate in the process.

17.0 APPROVAL LEVELS

17.1 Bids will be forwarded for approval depending on the following dollar levels:

up to \$499.99 - appropriate Department Head / Co-ordinator

\$500 - 4,999.99 - appropriate Assistant Executive Directors



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\$5,000 - 24,999.99 - the Executive Director
over \$25,000 - Finance and Property Committee via recommendations to Board of Governors

- 17.2 The Coordinator, Support Services shall act in a support role with the appropriate Department Head/Assistant Executive Director/Executive Director in determining what vendor/contractor should be approved.
- 17.3 The onus to justify not awarding the order/contract to the lowest bidder rests with the user department in conjunction with the Coordinator, Support Services who will prepare a written justification for all contracts/orders.
 - 17.3.1 For all contracts with a dollar value under \$5,000, a written justification shall be prepared as per Section 14 for review/approval to the Assistant Executive Director, Finance and Support Services who shall forward the report to the Executive Director for final approval.
 - 17.3.2 For contracts with a dollar value between \$5,000 and \$25,000, written justification shall be prepared as per Section 14 for review and approval of the Executive Director.
 - 17.3.3 For contracts with a dollar value in excess of \$25,000, a written justification shall be prepared as per Section 14 for review and approval by the Finance and Property Committee via recommendation to the Board of Governors.
 - 17.3.4 No award for construction work will be made without the acceptance of the award by the Maintenance and Housekeeping Services Coordinator.
 - 17.3.5 Should the award not be to the lowest bidder, the onus will be on the Maintenance and Housekeeping Services Coordinator in conjunction with the Coordinator, Support Services to justify such a decision in writing and obtain the approval of the Assistant Executive Director, Finance & Support Services.

18.0 VENDOR CONFIDENTIALITY

- 18.1 In all cases, bids will be treated with a high degree of confidentiality by all staff who are privy to the information contained in them. No disclosure of information or discussion of any information regarding a bid is to be made to anyone outside of Ongwanada.

19.0 NOTIFICATION

- 19.1 Any and all negotiations surrounding the bids will be carried out by the Coordinator, Support Services or designate. User departments will be encouraged to participate with the Coordinator, Support Services in these negotiations and to refrain from direct contact with suppliers.
- 19.2 Successful vendors will be notified by the Coordinator, Support Services or designate. No other



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employee is authorized to make this award/commitment on behalf of Ongwanada.

19.3 Coordinator, Support Services or delegate will advise all unsuccessful bidders in writing using a standard formatted letter.

19.4 the letter shall detail the price and conditions of the successful bid for the benefit of the unsuccessful bidder.

20.0 RELATED POLICIES:

1-2-02 Records Management
 1-9-04 Signing Authority
 1-10-01 Low Value Purchases - Processing of
 1-10-02 Purchase Orders for Goods/Services Already Received
 1-10-03 Purchase Order - Preparation Procedure
 1-10-05 Conflict of Interest
 1-10-06 Corporate VISA Cards
 1-10-07 Supply Chain Management
 1-10-08 Standing Purchase Orders

21.0 FORMS RELATED TO POLICY

[Comparative Bid Sheet Low - Value and Written Quotations](#)
[Declaration - Consultant or Service Provider](#)
[Ontario Non-Profit Housing Corporation](#)

22.0 LEAD PERSON:

Assistant Executive Director, Finance and Support Services
Delegated Manager: Coordinator, Support Services

23.0 REVIEW DATE:

September 2014