



Section:	Administration	Approval Date: Nov. 1, 2018
Policy:	Procurement Directive Policy	Effective Date: Nov. 1, 2018
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POLICY:

Montage Support Services will abide by the Broader Public Sector Procurement Directive issued by the Government of Ontario's Management Board of Cabinet under the authority of the Broader Public Sector Accountability Act, 2010, (Section 12).

PURPOSE:

The purpose of this policy is to:

- 1) Ensure that Montage Support Services publicly funded goods and services, including construction, consulting services, and information technology will be outlined through a process that is open, fair and transparent one that follows the Broader Public Sector Procurement Directive Policy.
- 2) Ensure that Montage Support Services responsibilities will be outlined throughout each stage of the procurement process.
- 3) Provide guidelines for entering into contracts and to establish internal controls over the authorization of procurement processes.
- 4) Ensure that Montage Support Services shall endeavor to receive value for money when procuring goods, services and consulting services.

PRINCIPLES:

The following are the five key principles that allow Montage Support Services to achieve value for money while following the Ministry Procurement Directives:

Accountability: Montage Support Services is held accountable for the results of our procurement decisions and the appropriateness of the processes.

Transparency: Montage Support Services will be transparent to stakeholders and wherever possible they will have equal access to information on procurement opportunities, processes and results. This is done by announcing open competitions on our website.

Value for Money: Montage Support Services will maximize the value it receives 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: Montage Support Services will ensure that Direct Support services provided by Montage Support Service staff will receive the right product, at the right time, in the right place.

Process Standardization: Montage Support Services will ensure that standardized processes will remove inefficiencies and create a level playing field.

KEY DEFINITIONS:

Goods and Services means any goods, construction and services, including but not limited to IT and consulting services.

Members of the Organization means all members of the Board of Directors, Senior Management, and employees of the Montage Support Services or their equivalent.

Supply Chain Activities means all activities directly or indirectly related to Montage Support Services planning, sourcing, procurement, moving, and payment process.

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.

Non-consulting Service Provider is an individual/company who contracts to provide services, other than consulting services to another individual or business. Examples may include "consultants" such as property services, other than consulting services to another individual or business. Examples may include "consultants" such as property brokers, head hunters or trainers.

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.

SUPPLY CHAIN CODE OF ETHICS (CODE):

Montage Support Services has formally adopted and will abide by the Supply Chain code of Ethics (Code) in accordance with its governance involved with the Supply Chain Activities in accordance with the Code.

This Code will be made available and visible to all Montage Support Service staff, as well as to all suppliers and other stakeholders involved with the Supply Chain Activities. This Code will be posted on Montage Support Services' website.

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

Goal: Montage Support Services will ensure an ethical, professional and accountable BPS Supply Chain.

I. Personal Integrity and Professionalism

All Montage Support Service staff involved with the Supply Chain Activities will act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence will be integral to all Supply Chain Activities within and between Montage Support Service suppliers and other stakeholders. Respect will be demonstrated for each other and for the environment. Confidential information will be safeguarded. Participants will 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.

II. Accountability and Transparency

Montage Support Services will ensure that the Supply Chain Activities will be open and accountable. In particular, contracting and purchasing activities will be fair, transparent and conducted with a view to obtaining the best value for public money. Montage Support Services will ensure that public sector resources are used in a responsible, efficient and effective manner.

III. Compliance and Continuous Improvement

Montage Support Services will ensure that individuals involved with purchasing or other Supply Chain Activities will comply with this Code of Ethics and the laws of Canada and Ontario. Montage Support Services staff involved with Supply Chain Activities continuously work to improve supply chain policies and procedures, to improve its supply chain knowledge and skill levels, and to share leading practices.

PROCESS FOR PROCUREMENT OF GOODS AND SERVICES

Montage Support Services will ensure that all contracts entered by, or in the name of Montage Support Services will follow the requirements set forth in the Broader Public Sector (BPS) Procurement Directive.

Montage Support Services has an Approval Authority Schedule (AAS) established for procurement of goods and services. This schedule identifies the authorities allowed to approve procurements for different dollar thresholds. The AAS has been approved by the Board of Directors.

Montage Support Services will conduct an open competitive procurement process where the estimated value of goods or services is \$100,000 or more. A competitive process will take place for consulting services irrespective of the value.

Approval Authority Schedule (AAS)

GOODS, NON CONSULTING SERVICES AND CONSTRUCTION		
Total Procurement Value	Means of Procurement	Approval Authority
\$0 to \$500	Petty cash/Montage Credit Card	Manager
\$500 to \$2500	Montage Credit Card	Director
\$2500 to \$25,000	Purchase order	CEO
\$25,000 to under \$100,000	Purchase order invitational competitive procurement process (minimum 3 suppliers are invited to submit a bid)	CEO will follow procurement process but final decision is with the Board of Directors
\$100,000 or more	Open competitive bid	CEO will follow procurement process and makes recommendation to the Board of Directors who will make the final decision
CONSULTING SERVICES		
Total Procurement Value	Means of Procurement	Approval Authority
\$0 up to but not including \$100,000	Invitational or open competitive process	CEO
\$100,000 or more	Open competitive process	Board of Directors

SEGREGATION OF DUTIES

Montage Support Services must separate three of the five functional procurement roles: Requisition, Budgeting, Commitment, Receipt and Payment. Responsibilities for these roles must lie with different departments or personnel. Where it is not possible to segregate these roles, adequate compensating controls approved by an external auditor must be in place.

Montage Support Services will not reduce the overall value of procurement (e.g.: dividing a single procurement into multiple steps) in order to circumvent the approval requirements.

GOODS, NON CONSULTING SERVICES AND CONSTRUCTION					
Type and Value	Requisition	Budgeting	Commitment	Receipt	Payment
\$0 to \$500	Manager	Accounting	Manager	Accounts Payable	Accounts Payable
\$500 to \$2500	Director / CEO	Accounting	Director	Accounts Payable	Accounts Payable
\$2500 to \$25,000	Director / CEO	Accounting	CEO	Accounts Payable	Accounts Payable
\$25,00 up to \$100,000	Director / CEO	Accounting	Board of Directors	Accounts Payable	Accounts Payable

\$100,000 or more	CEO follows competitive procurement process	Accounting	Board of Directors	Accounts Payable	Accounts Payable
CONSULTING SERVICES					
Type and Value	Requisition	Budgeting	Commitment	Receipt	Payment
\$0 up to but not including \$100,000	Director / CEO	Accounting	CEO	Accounts Payable	Accounts Payable
\$100,000 or more	CEO follows competitive procurement process	Accounting	Board of Directors	Accounts Payable	Accounts Payable

All contracts over \$100,000 and all consultant agreements of any dollar value must be preceded by, and result from, a Request for Proposal (RFP) and a minimum of 3 bid quote. All contracts and consultant agreements must be consistent with Montage Support Services Mission, Vision, and Values, conform to the Conflict of Interest Policy, and conform to all other applicable Montage Support Service policies.

Levels

- (a) All contracts entered into by Montage Support Services that exceed \$5,000, but under \$100,000 and/or binds Montage Support Services for more than one year, but less than 5 years, must be reviewed by the Director of Administration and approved by the CEO and a Board member.
- (b) All contracts entered into by Montage Support Services that exceed \$100,000 and or binds Montage Support Services for more than 5 years must be reviewed by the Director of Administration and CEO and approved by the Board of Directors.
- (c) It is the responsibility of the individual with the signing authority involved in the purchase and reimbursement of goods and services to ensure compliance with this policy and procedure. The Finance Department is responsible for verifying that the amount requested is supported by the attached documents and that the signature is by the appropriate signing authority.
- (d) The Manager or Director of the department making the purchase approves the requisition. Only individuals with the appropriate level of authority are able to approve the cheque requisition.

Signing of Contracts

The CEO or designate (approved by Board of Directors) will sign each contract. Each contract will be witnessed and dated and may be embossed with the corporate seal.

Location of Contracts

An original signed copy of all contracts that bind Montage Support Services must be provided to the Administration Department located at Montage Support Services head office for filing and monitoring.

Purchase of Service Contracts

Definition:

Purchase of Service Contract is a written agreement between Montage Support Services and an individual or organization in which specific services are to be provided.

The following shall apply to all contracts signed by Montage Support Services:

- (a) all purchases are within the approved budget;
- (b) the Board of Directors authorizes the annual expenses of the agency by approving the annual budget;
- (c) for any purchases not incorporated into the fiscal budget, the Board of Directors delegates authorization, responsibility to the CEO. However, the Board of Directors shall be informed of major purchases that have the potential to affect the direction or financial results of the agency.

Responsibility

Prior to the commencement of any contract, Montage Support Services will ensure:

- (a) contracts are entered into when there is an advantage to the agency by doing so.
- (b) a full range of potential arrangements is investigated before entering into an exclusive contract.
- (c) Legal assistance or advice is obtained, if necessary, for any non-standard clauses.
- (d) All contracts entered into by the agency are reviewed and approved by the CEO or designate. Only individuals with the appropriate level of authority can approve and sign a contract.
- (e) As a best practise, contractors must provide proof of liability insurance and WSIB coverage, where appropriate.
- (f) Montage Support Services ensures that a completed copy of the final signed and embossed contract is made available to all signatories.
- (g) All Purchase of Service Contracts must meet the agency`s conflict of interest guidelines.
- (h) At least 3 months prior to the completion of the contract, the CEO or designate reviews

and plans for the renewal or tendering of the contract (as necessary).

Content of Contract:

At a minimum, each Purchase of Service Contract entered into by Montage Support Services shall provide the following information:

- (a) name of the service
- (b) anticipated outcomes
- (c) reporting requirements
- (d) financial obligation
- (e) period of time covered by contract (no contract can be established in perpetuity) and any options to extend the agreement
- (f) invoicing procedures and payment schedule
- (g) termination and escape clause
- (h) dispute resolution process
- (i) table of content regarding negotiated work plan
- (j) name of Montage Support Services staff who have been given the authority to act on Montage Support Services behalf in relation to the services provided and the service provider
- (k) description of monitoring process
- (l) confidentiality agreement
- (m) warranty for completed services meeting the quality standards specified
- (n) allowable expenses as per Montage Support Services Perquisites policy and Expenses Policy

Information required for proper payment authorization

All invoices must be reviewed and approved prior to payment by the staff authorized to sign. Authorization is to include:

- (a) Date – date of request;
- (b) Completed by – name of person completing the form (if a cheque requisition);

- (c) Payable to – name and complete address of payee;
- (d) Description – reason for payment cross-referenced to supporting details or documents and attached to the requisition;
- (e) Coding section – the account code or codes to be debited and the corresponding amounts with taxes (GST and PST) identified separately;
- (f) Amount – total amount of cheque to be issued;
- (g) Approved by – authorized signature on purchase order;
- (h) Special delivery instructions – if the cheque is not to be directly routed to the payee then the appropriate routing instructions need to be reported;
- (i) Date required – record the date that the cheque is required, if different from regular cheque issuing schedule;

For reporting and auditing purposes, all competitive procurement documentation and all relevant information pertaining to the procurement must be retained in a recoverable form for seven years.

CONFLICT OF INTEREST

Any conflict of interest that may arise as a result of Montage Support Services staff, advisors, external consultants or service providers` involvement with the Supply Chain Activities will be monitored. Individuals involved with the Supply Chain Activities and anyone aware of a conflict of interest must disclose the actual or potential conflict and where possible proceed to withdraw from any activity that causes the conflict. Where a conflict of interest arises, it must be evaluated and an appropriate mitigating action must be taken.

EVALUATION:

This policy will be evaluated and reviewed annually by Montage Support Service Boards of Directors.

REFERENCES

http://www.fin.gov.on.ca/BPSsupplychain/documents/bps_directive.html