



Company Policy Cover Page

The attached document has been reviewed by the Company Policy Register Manager on December 20, 2016 and the following information has been verified.

Document Title	Procurement Policy
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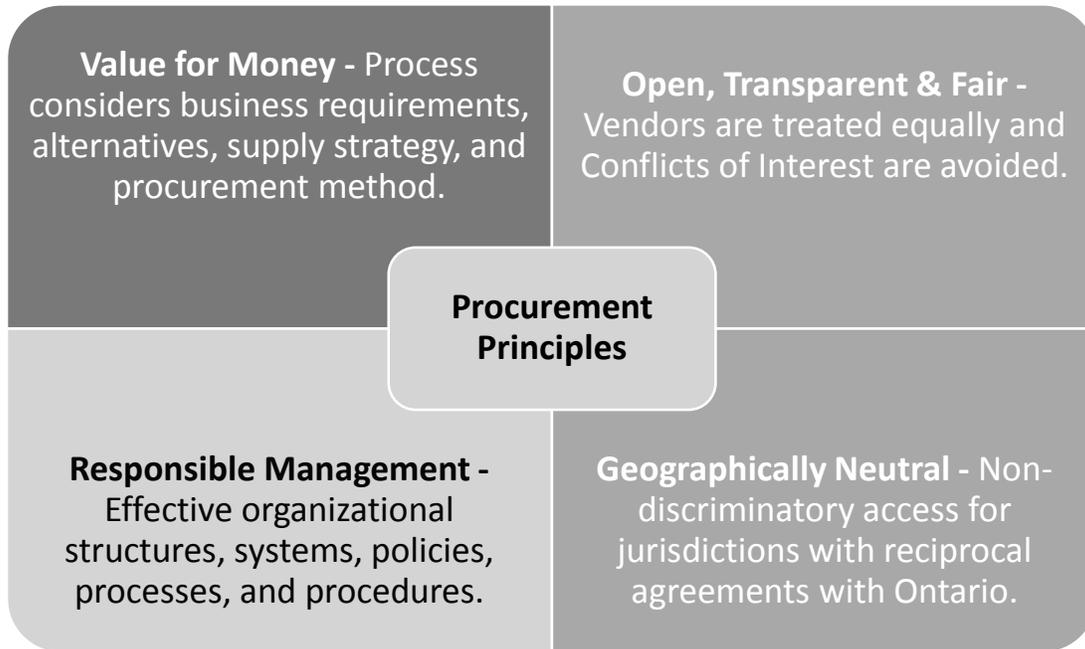
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1.0 Purpose

The TSSA Procurement Policy outlines the requirements for staff to purchase goods and services, compliant with the Ontario Public Service Procurement Directive issued by the Management Board of Cabinet in December 2014. The TSSA Procurement Policy ensures that TSSA Procurements will be conducted consistently, achieving four key principles, outlined below.



To ensure a precise understanding of the TSSA Procurement Policy, capitalized words refer to specific, well-defined terms and are summarized in Appendix A.

This document walks through the Procurement Process from beginning to end and is to be followed each time a good or service is procured. Details are provided in the appendices and can be referred to as needed throughout the Procurement Process.

2.0 Scope

This policy applies to the procurement of all goods and services, except for:

- External legal services; and,
- Employee Expenses (refer to TSSA Employee Expense Claim and Reimbursement Policy).



3.0 Accountability

All TSSA employees are responsible for reading, understanding, and following the TSSA Procurement Policy and its appendices, to ensure the principles in Section 1 are adhered to. TSSA Procurement and the Requesting Department will work together at all stages of the Procurement. Roles and responsibilities of the various parties within the procurement process are summarized below.

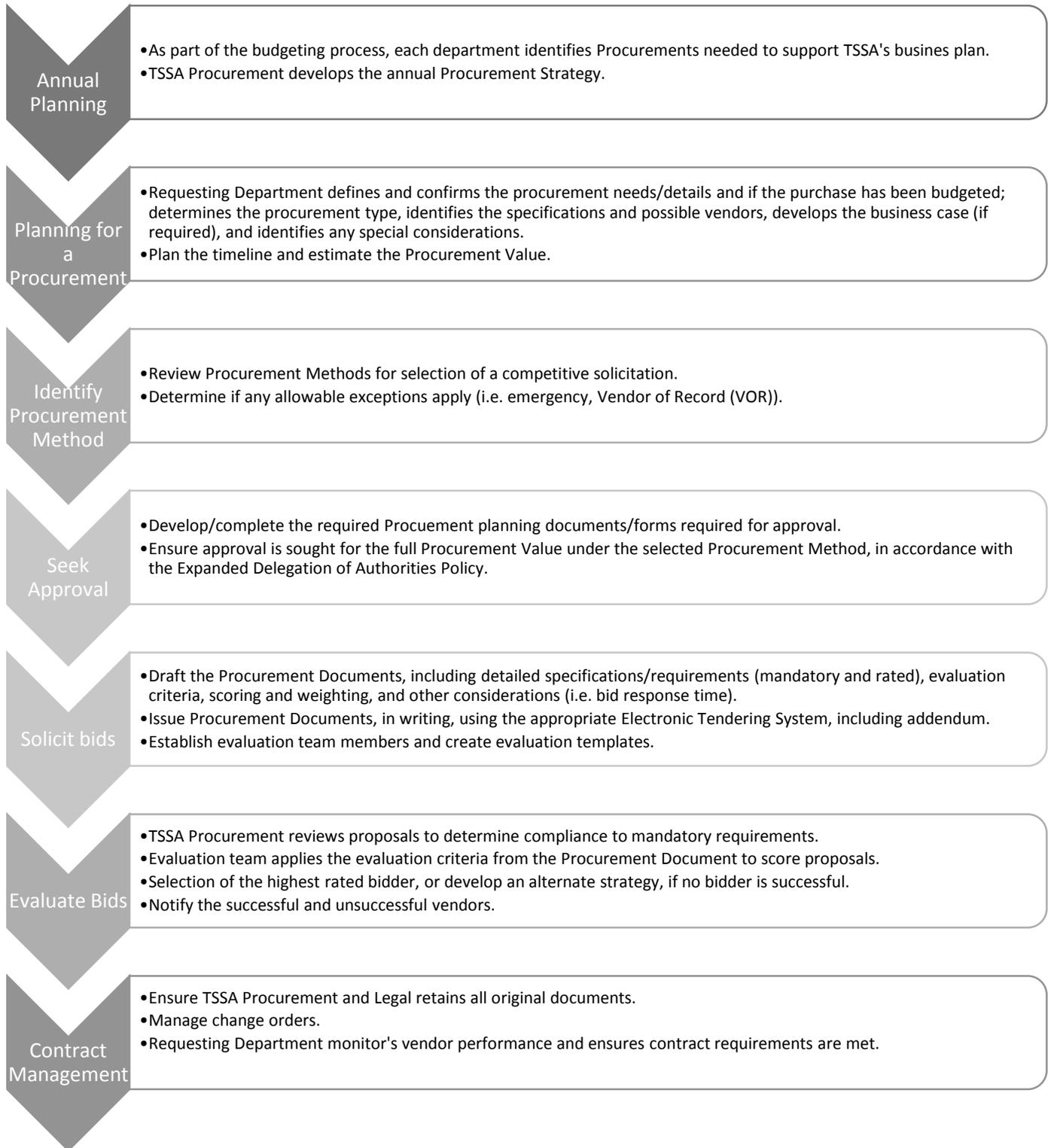
Role	Key Responsibilities
All TSSA Employees	<ul style="list-style-type: none"> • Read, understand, and apply the TSSA Procurement Policy; • Work with TSSA Procurement at each step of the Procurement Process; • Seek and obtain appropriate approvals; and, • Be held accountable for non-compliance with the TSSA Procurement Policy.
TSSA Procurement	<ul style="list-style-type: none"> • Work with the Requesting Department to procure goods and services, to adhere to this policy, and to follow the Procurement Principles; • Develop the annual Procurement Strategy; • Document each step of the Procurement Process and retain all documentation to ensure an audit trail that demonstrates compliance with the TSSA Procurement Policy; • Process purchase requisitions and prepare purchase orders; and, • Ensure appropriate approvals are obtained, reviews are performed, and vendor performance is monitored.
Chief Financial Officer	<ul style="list-style-type: none"> • Set the strategic direction of TSSA’s procurement/purchasing function; • Maintain and update the TSSA Procurement Policy; and • Oversight of TSSA Procurement.
Signing Authorities	<ul style="list-style-type: none"> • Provide information on anticipated procurements to TSSA Procurement for the annual Procurement Strategy; • Ensure that Procurements they authorize adhere to the TSSA Procurement Policy; • Ensure all employees that report to them understand and apply the TSSA Procurement Policy; and, • Ensure that the Procurement Value for any Procurement they authorize does not exceed their threshold for authorization in accordance with the Expanded Delegation of Authorities Policy. .

4.0 Procurement Process Overview

The key phases and tasks of the procurement process is outlined in below. Details of each phase and task are provided in the following sections of this policy.



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5.0 Annual Procurement Planning

As part of the completion of the annual budgeting process, each department prepares their Annual Procurement Plan to identify expected Procurement needs over the next year required to meet the goals, objectives, and operational deliverables consistent with TSSA's Business Plan and Strategic Plan. TSSA Procurement will use the Department Annual Procurement Plans to develop an annual Procurement Strategy, which will drive the scheduling and planning of Procurements throughout the year.

5.1 Annual Department Procurement Plan

Each Department is responsible for providing TSSA Procurement with their Annual Procurement Plan that outlines:

- Forecast of potential procurement of goods and services to meet organizational needs for the upcoming year;
- Estimated Procurement Value and timetable of potential Procurements; and,
- Potential risks to the Procurement (for example: insufficient number of vendors, inadequate time to conduct the Procurement, etc.).

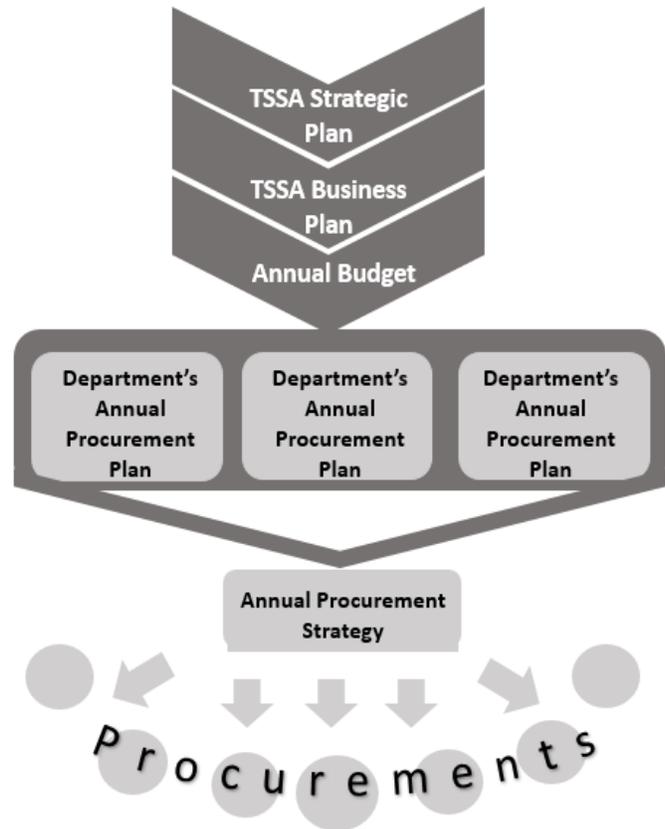
5.2 Procurement Strategy and Planning

Each year, TSSA Procurement updates their Procurement Strategy, a planned approach to cost-effectively procure goods and services, ensuring it is linked to TSSA's organizational strategic plan and approved budget.

TSSA Procurement will develop a companywide Procurement Strategy based on each department's Annual Procurement Plan that contains:

- Timetable of expected procurements for the upcoming year;
- Estimate of Procurement Value for each planned procurement;
- Potential procurement methods; and,
- Outline how the procurement strategy will contribute to TSSA's overall corporate strategy.

The following sections of this report focus on the phases and tasks required for individual Procurements.





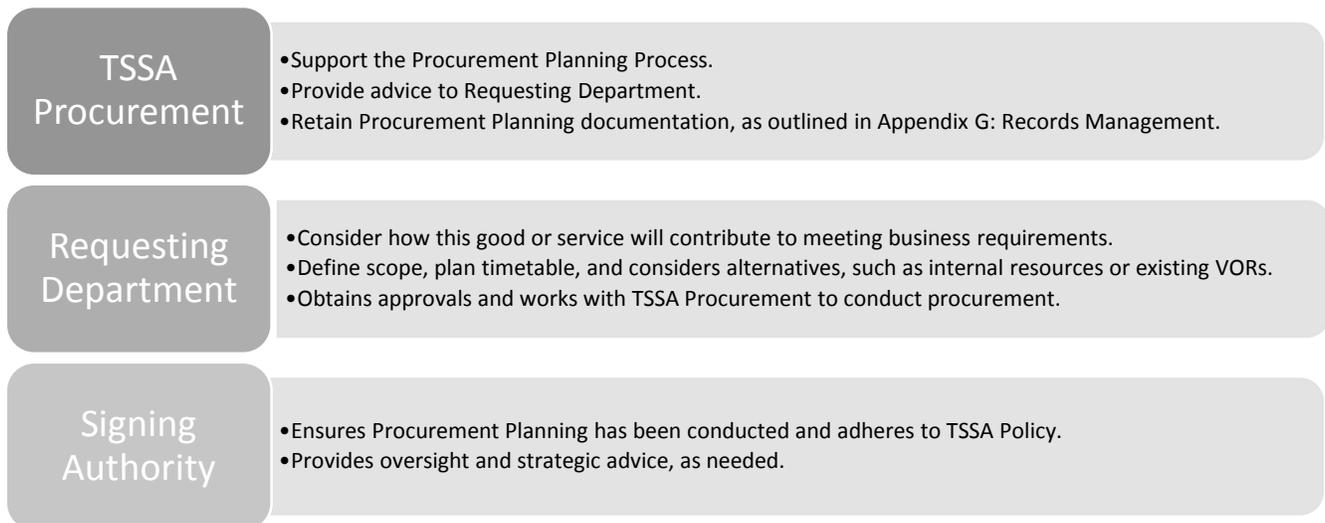
6.0 Procurement Planning Process

The diagram below highlights the key steps and decisions related to initiating and planning a Procurement which are explained in further detail in the sections 6 and 7.



6.1 Initiate Procurement

When a good or service needs to be procured, the Requesting Department contacts TSSA Procurement to initiate and plan the Procurement, ensuring that there is enough lead time to conduct the Procurement. The roles of each party planning the Procurement are summarized below.



The Requesting Department assigns team member(s) responsible for the delivery and contract management of the Procurement. Refer to Section 8.3 for considerations when selecting team members. TSSA Procurement will provide team member(s) with advice on navigating TSSA’s Procurement Policy and providing support to move the Procurement through the procurement process. The team, including TSSA Procurement, decides on a timetable for the Procurement to ensure sufficient time will be allocated for planning, soliciting bids, evaluating bids, and awarding of the Contract.

A Procurement File/Record will be established by TSSA Procurement, where all documentation prepared by the procurement team related to the Procurement, is retained and maintained, including all forms/templates and approvals.

6.2 Defining Needs

Defining needs deals with specifying the goods and/or services and the standards, quantity, and quality required. Specifications are the requirements for an item, material, component, system, or service. Specifications are often used to formalize the technical, functional, and quality aspects of an Agreement or Contract, and are needed to be defined in order to include in the Procurement Documents.



To avoid receipt of equipment, supplies or services that may be inappropriate, it is essential that specifications and supporting information be as detailed as possible. The Requesting Department initiating the purchase is responsible for ensuring that all specifications and supporting information for purchase and delivery of the requested goods or services are recorded as appropriate on the Procurement Document.

6.3 Establish a Procurement Type

There are three different Procurement Types as defined below.

Goods

- Goods are physical, tangible items.
- Examples include: computer hardware and software, uniforms, furniture, etc.

Consulting Services

- Consulting Services refers to expertise and advice, technical assistance, studies or similar services for policy, strategy or decision-making considerations.
- Examples include: management consulting, IT consulting, research and development, policy and strategy consulting, technical consulting, etc.

Non-Consulting Services

- Non-Consulting Services refers to well-defined assignments, typically of a recurring and operational nature.
- Examples include: Insurance, recruitment/temporary staff services, technical support, licensed professional services (i.e. lawyers, accountants/auditors, architects), IT services (i.e. system implementation).

6.4 Estimating Procurement Value

During the planning process, the Requesting Department is required to determine the Procurement Value as this indicates which Procurement Method is required under the policy. This is determined by considering:

- The scope of goods or services being procured;
- Any potential future related goods or services, and;
- Any related procurements (i.e. IT hardware related to a software procurement).

The above informs an estimation of the total Procurement Value and considers potential costs and benefits, including:

- Cost of providing goods and services, including initial and on-going costs;
- Premiums, fees, commissions, and interest;
- Potential changes in commodity prices;
- Options to renew; and,
- Any conferred value such as exchange of goods and/or services for other goods and/or services and revenue generating opportunities.

TSSA staff must not take any actions to reduce Procurement Value through sub-dividing into smaller Procurements, excluding related procurements from calculating Procurement Value, or awarding multiple consecutive Contracts to the same vendor.



Approval of the Procurement is sought on the Procurement Value, excluding sales taxes.

6.4.1 Procurement Value Increases

The original Procurement Value may increase due to factors such as unexpected increases in price or volume. The Requesting Department must ensure that the Procurement Value does not exceed the Signing Authority's approval threshold.

TSSA Procurement and the Requesting Department must ensure that Agreements with vendors identify a framework for price increases including:

- Frequency of price increases,
- Allowable amount of increases; and,
- Any benchmarks used to confirm the price increase.

6.5. Other Planning Considerations

While planning for a Procurement, the procurement team should assess whether the Procurement may result in the release of personal or sensitive information. To determine, the procurement team must conduct a risk assessment that includes a Privacy Impact Assessment (PIA) and a Threat Risk Assessment (TRA).

For all purchases of apparel at or above \$5,000, the vendor is to confirm to the best of their knowledge that production of the apparel has complied with all local laws governing labour and working conditions, and will continue to do so.

7.0 Procurement Methods & Approvals

7.1 Procurement Methods – Non-Competitive and Competitive

The diagram below plots Procurement Methods from least to most competitive. TSSA staff are encouraged to use the most competitive Procurement Method that is practical given the nature of the goods or services being procured and the Procurement Value. For example, although an Invitational Competitive Request for Tender may be allowable for a given Procurement Type and Procurement Value, staff are encouraged to use an Open Procurement or Invitational Competitive Request for Proposals.



Note – the two Invitational Competitive options above require a minimum of three vendors to be invited to quote or submit a proposal.

The following table summarizes the selection of a Procurement Method, based on the Procurement Value when procuring goods, consulting services or non-consulting services.



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Type of Purchase	Non-Competitive Procurement Allowed	Invitational Competitive Procurement Required	Open Competitive Procurement Required
Goods	Under \$25,000	\$25,000 up to and including \$100,000 required Under \$25,000 is recommended	Over \$100,000
Consulting Services	Not permitted	\$100,000 and under	Over \$100,000
Non-Consulting Services	Under \$25,000	\$25,000 up to and including \$100,000 required Under \$25,000 is recommended	Over \$100,000

Each type of Procurement Method is described in more detail below:

a) Non-Competitive

A non-competitive Procurement Method, such as sole sourcing or single sourcing, can be used for goods and non-consulting services under \$25,000, only.

- I. Sole-source is where goods or services are required, but there is only one vendor that provides that good or service and there are no other viable vendors to obtain quotes or proposals from.
- II. Single-source is where goods or services are to be purchased from a specific vendor even though there may be more than one vendor/supplier capable of delivering the same goods or services.

b) Invitational Competitive - Request for Quote (IC RFQ)

A minimum of three quotations must be sought for an IC RFQ. If it is not possible to obtain a minimum of three quotations, the reasons must be recorded within the Procurement File/Record. The individual quotes from vendors are to be accumulated and recorded. In this Procurement Method, the award is given to the vendor with the lowest acceptable offer that meets the required technical requirements.

c) Invitational Competitive - Request for Proposal (IC RFP)

A minimum of three vendors must be invited for an IC RFP, which includes a proposed price and a response to rated criteria related to non-price factors which are specific to the procurement (i.e. experience, timing of deliverables, work plan, references, etc.). Non-price factors which may be important to the procurement project are to be documented in the Procurement planning documents. The lowest offer may not be accepted, due to the scoring of the rated criteria.



d) *Open Competitive – Request for Proposal (RFP)*

An Open Competitive RFP is used to procure high value goods, design, or other works or services. A solicitation is made for a solution to a defined problem rather than specifying the solution to it. Examples of RFPs include requests for creative services requiring artistic or intangible skills or consultants with technical or specialized knowledge. Proposals are usually submitted with technical and financial components in separate sealed envelopes.

7.2 Procurement Methods – Allowable Exceptions

There may be instances where a competitive procurement is not possible. This policy permits the use of the following Allowable Exceptions to the Invitational Competitive and Open Competitive Procurement Methods described above.

In these instances, the Sole or Single Source Certification must be filled out and approved by the appropriate Signing Authority, prior to initiating the Procurement.

Allowable Exceptions include:

a) *Unforeseen Situation of Urgency/Emergency*

Where an unforeseen situation of urgency exists and the goods or services cannot be obtained by means of a competitive procurement process. An unforeseen situation of urgency does not occur where TSSA has failed to allow sufficient time to conduct a competitive procurement process.

b) *Confidential or Privileged Nature*

Where goods or services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through a competitive procurement process could reasonably be expected to compromise TSSA confidentiality, cause economic disruption or otherwise be contrary to the public interest.

c) *Security and Environmental Considerations*

Where a competitive process could interfere with the TSSA's ability to maintain security or order or to protect human, animal or plant life or health.

d) *Absence of Qualified Bids*

Where there is an absence of any qualified bids in response to a competitive procurement process that has been conducted in compliance with this Policy.

e) *Indigenous People*

The Procurement is in support of Indigenous peoples.

f) *Public Bodies*

The Procurement is with a public body and government agencies.



g) Exclusive Provider

Only one supplier is able to meet the requirements of a Procurement in the following circumstances:

- i. To ensure compatibility with existing products and services. This allows the continued relationship with a single vendor, granted that the original procurement for this vendor went through a competitive procurement.
- ii. To recognize exclusive rights, such as exclusive licenses, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representatives.
- iii. For the Procurement of goods and services the supply of which is controlled by a supplier that has a statutory monopoly.

7.3 Vendor of Record

Vendors of Record (“VOR”) allow organizations to issue a call-up to one or more vendors listed on a roster to provide a quote. VOR’s save time when there is an ongoing and regular need for specific goods or services as it reduces the number of RFP’s that are issued and evaluated. To establish a VOR, an open competitive RFP procurement is completed explaining that TSSA has a need for a specific good or service for a certain period of time (i.e. three to five years) on an as-needed-basis. The RFP will include the technical requirements that TSSA is looking for in roster vendors, and a committed locked-in price or hourly rate for the goods/services. The resulting VOR contract will include the process for calling-up any of the vendors when needed (i.e. called a VOR Call-Up).

During the procurement planning stage, the procurement team should establish if TSSA has an existing roster of vendors for the specific goods or services that are to be procured. The team should also consider the use of a Government of Ontario VOR. For Government of Ontario VOR’s, TSSA must comply with the VOR Arrangement terms of use prior to accessing the VOR and refer to the Government of Ontario’s VOR Arrangements User Guide. Information regarding the Ontario VOR Program, including user guide, can be obtained online at: <https://www.doingbusiness.mgs.gov.on.ca>

If a TSSA or Government of Ontario’s VOR is determined to be used, a VOR Call-Up Procurement Method will be followed. Soliciting bids from vendors from a Government of Ontario’s VOR follows the process outlined within the Government of Ontario’s VOR Arrangements User Guide. If TSSA has its own VOR, the process for soliciting bids through the VOR’s Call-Up should be outlined in the VOR RFP and/or contract.

Generally, the number of vendors to invite on the VOR is dependent on the Procurement Value. TSSA’s VOR Call-Up requirements are as follows:

Procurement Value	Minimum Number of Vendors to Invite
Under \$25,000	1
\$25,000 - \$249,999	2
\$250,000 - \$599,999	3
\$600,000 – VOR Ceiling Price	All Vendors on VOR



7.4 Other Procurement Method Options

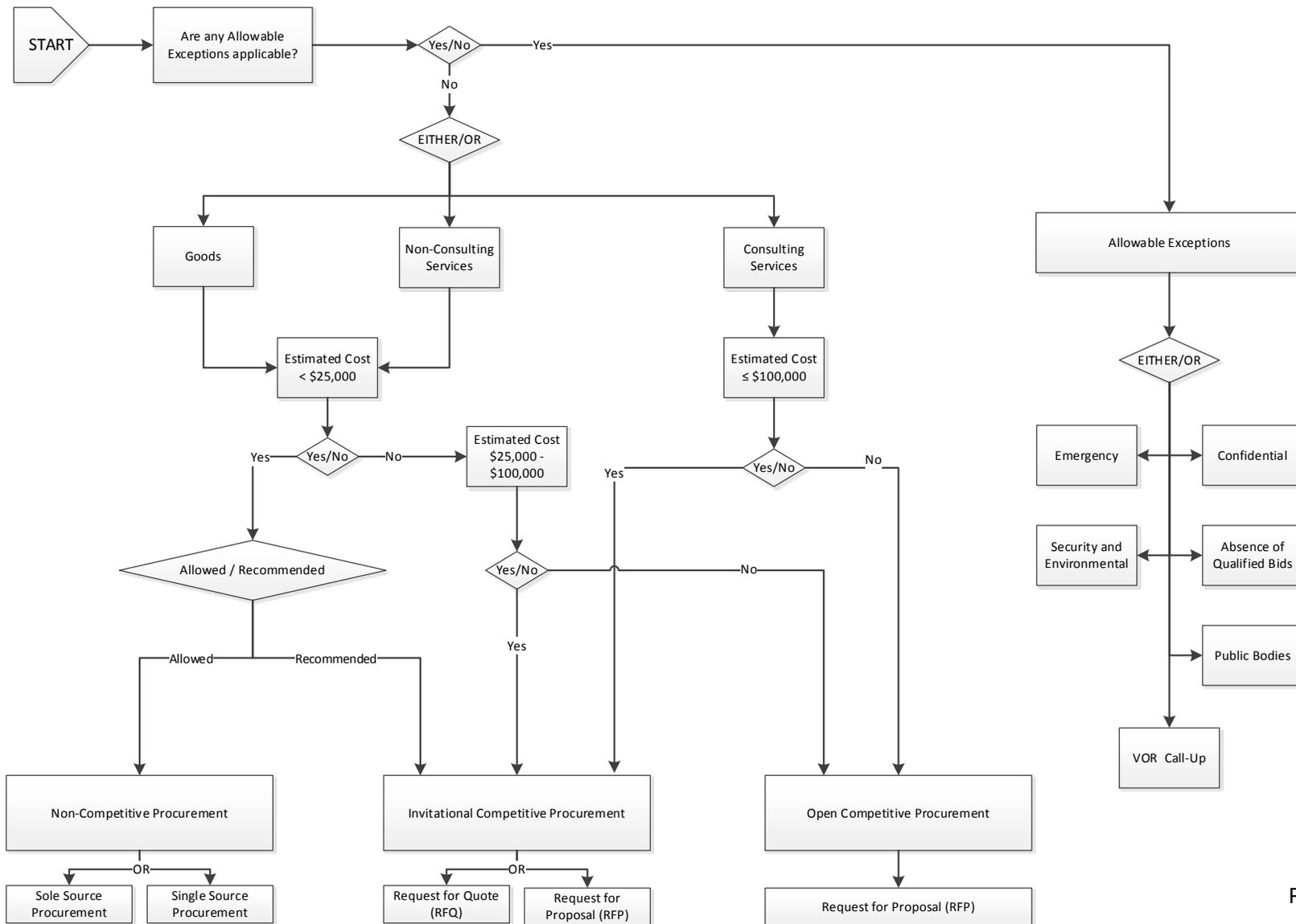
Prior to conducting an Open Competitive Request for Proposal (“RFP”), TSSA may conduct a Request for Information (“RFI”) or a Request for an Expression of Interest (“REI”), solely for the purpose of gathering information; testing a proposed procurement scope, approach, or process; or determining interest within the market.

7.5 Procurement Method Decision Tree

To aid in the determination of the appropriate Procurement Method, the decisions/choices that are required to be made during the procurement planning process have been summarized in the below Decision Tree/Flow Chart.



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7.6 Business Case Development

At the conclusion of the procurement planning process, all decisions should be documented and submitted for approval, prior to commencing with the development of the Procurement Documents.

Depending on the estimated Procurement Value and whether the Procurement is already budgeted for (i.e. is included as part of the Requesting Department’s Annual Procurement Plan and in TSSA’s Procurement Strategy), a Full Business Case or Light Business Case may be required, as outlined below.

Procurement Value	Budgeted	Unbudgeted
Up to \$50,000	No Business Case	Light Business Case
\$50,000 to \$500,000	Light Business Case	Full Business Case
Over \$500,000	Full Business Case	Full Business Case

The details of what is to be included in each variation of business case is provided in Appendix B: Business Case Requirements.

For instances where no business case is required, a Purchase Requisition is required to be completed and approved.

If an Allowable Exception has been selected, ensure that the Sole or Single Source Certification is also attached to the Business Case or Purchase Requisition.

7.7 Procurement Approvals

The appropriate level of approvals are required to be obtained prior to completing the procurement planning process.

Refer to Policy C-GO-200-AA - Expanded Delegation of Authorities Policy for the appropriate approvals required relating to procurement.

The Requesting Department is responsible for obtaining the necessary approvals at the end of the procurement planning process. TSSA Procurement is responsible for retaining records of the approvals in the procurement file/record.

8.0 Tendering Process

Once the procurement planning process is complete and appropriate approvals have been obtained, the Procurement is able to move forward into the tendering process, which includes the preparation of Procurement Documents; consideration and determination of evaluation criteria, weighting, and scoring, and bid response times; issuance of the Procurement Documents; and responding to vendor questions.

8.1 Procurement Documents

A Procurement Document is used to solicit vendor bids and must be in writing – whether Invitational or Open – and include clear instructions outlining the procurement process, timelines, and submission method. TSSA templates are used for Procurement Documents, and any changes to standard sections are to be discussed with Legal and or Insurance, prior to issuance. Procurement Documents are to contain the items listed below:

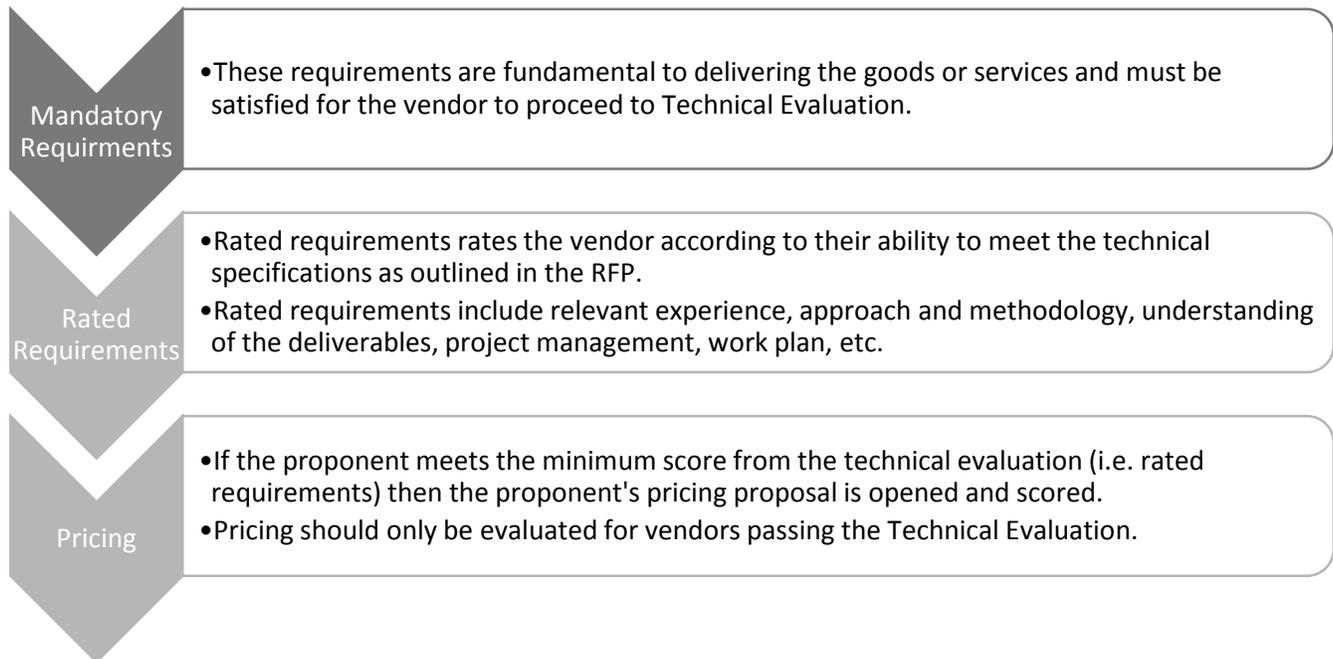


- A description of the required goods or services as described in 6.2 Defining Needs.
- Any optional components that are being priced separately.
- Performance requirement, if applicable.
- Estimated quantity of goods or services, if applicable.
- Detailed evaluation criteria and weightings, and the evaluation process that will be used in assessing/scoring submissions.
- The name, e-mail address and location of the TSSA Procurement team member to contact for additional information on the Procurement Document.
- Conditions that must be met before obtaining Procurement Documents, such as confidentiality agreements, if appropriate.
- The method, address, date, time and any system access, encryption or other delivery instructions required for vendors to follow when submitting responses to the Procurement Documents.
- Additional items, as appropriate, listed in Appendix C.

TSSA Procurement works together with the Requesting Department to create the Procurement Document.

8.2 Determining the Evaluation Methodology

The Procurement Document must set out the evaluation process and criteria. This generally consists of three components as outlined below, however, alternative structures may be used if they are more appropriate for the goods or services being procured.



When determining and documenting evaluation criteria for the Procurement, the Procurement Document should:

- Clearly articulate all mandatory requirements (i.e. Pass / Fail scoring);



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- Appropriately balance technical, functionality, quality, and pricing attributes (i.e. 70 points for the technical score and 30 points for the pricing score for a total of 100 available points);
- Specify weights for rated criteria (i.e. how much each of the technical components are rated within the total of 70 points);
- Specify minimum Technical Evaluation scores, if applicable (i.e. need to obtain 49 points (70%) of the 70 available technical points to move onto the pricing evaluation);
- Specify how pricing will be evaluated (i.e. formula based); and,
- Specify any special requirements such as interviews, demonstrations, or reference checks (i.e. any marks specifically attributed to interviews, etc.).

The technical/functional section of the RFP scoring must be a minimum of 70 points out of 100 points. Any deviation with a lower technical/functional scoring weighting requires documented approval by the appropriate Signing Authority.

The scoring point scale will also be determined and included within the Procurement Documents. Either a 0-5 or a 0-10 point scale will be used to mark/score proponents' responses to the evaluation criteria. A sample 5-point scale is provided in Appendix D.

Once the evaluation criteria and scoring scale has been determined, the evaluation scoresheet templates can be developed which are used to document the evaluation teams' scores and maintained in the procurement file for future consultation and/or audit.

8.3 Selection of the Evaluation Team

Before beginning the evaluation of offers (bids/proposals) received, an evaluation team should be determined. Membership of the evaluation team should be determined based on the qualifications of each prospective member. It should include individuals with varied talents and expertise to assure impartiality. Evaluation team members should preferably have knowledge and related experience, and at least one member should have participated in the drafting of the terms of reference or technical specifications and/or other technical documents required for inclusion in the Procurement Documents. The number of evaluation team members should be at least three, excluding any observers and technical experts invited as advisors on the technical aspects, if needed. An odd number of individuals is usually best (i.e. 3, 5). Staff needs to be aware of the time commitment before agreeing to be a member of evaluation panel.

It should be noted that the evaluation criteria should be determined and an evaluation team assigned prior to issuance of the Procurement Documents.

8.4 Bid Response Time

TSSA provides a reasonable amount of time to vendors to respond to a tender, factoring in the relative size, complexity, risk profile, and seasonality of the procurement. Bid response time is consistent between similar types of RFPs.

The following can be used as a guideline:

- Procurement Value under \$100,000 – the bid response time should be within the range of 7 to 15 calendar days.
- Procurement Value between \$100,000 and \$500,000 - the bid response time should be within the range of 15 to 30 calendar days.
- Procurement Value greater than \$500,000 - the bid response time should be within the range of 30 to 60 calendar days.



8.5 Bid Solicitation

All Open Competitive procurements are issued electronically on a tendering website, such as MERX. Other platforms for posting of Procurement Documents may be considered, such as trade publications, newspapers, magazines, TSSA website, as applicable to the goods or services being tendered.

Invitational procurements are to be in writing and sent to the invited prospective proponents, through email or registered mail.

8.6 Vendor Communications

While a procurement is open, TSSA communicates with vendors via the same media the Procurement Documents were distributed on. For example, vendor questions from a Procurement posted to Merx, must be posted on Merx. For Competitive Procurements of any type, including Invitational Competitive RFQ and RFP, all vendors should have access to all clarifications, modifications, and addenda issued by TSSA.

During a competitive Procurement, TSSA Procurement is the only point of contact for prospective bidders.

Any changes or updates to Procurement Documents are to be formally communicated to all prospective bidders through addendum. Verbal updates or other communications (i.e. emails) are not appropriate methods to change or update Procurement Documents and are not binding under the Procurement process.

9.0 Evaluation Process

During the evaluation phase the bids are opened, reviewed, evaluated, and ranked. The analysis or evaluation phase of the bid process should not begin until after the deadline for bid submission to ensure confidentiality and reduction in the potential for fraud in the procurement process.

TSSA Procurement tracks all bids received in a Bid Register Spreadsheet. Responses received after the closing date and time must be returned unopened. TSSA Procurement will assess all of the mandatory requirements to determine which proposal submissions pass / fail. Only the proposal submissions that pass the mandatory requirements will move onto the technical evaluation.

Technical evaluation will be undertaken before and separate from the financial assessment. The financial proposals are opened in a separate opening session after completion of the technical evaluation. Thereafter, an evaluation comparing all factors, both technical and financial, is carried out. Bids should be analyzed based on the evaluation criteria provided in the Procurement Documents and weighting determined before the bids are opened. An Evaluation Scoresheet Template should be used to document the evaluation teams' scores and kept on file for future consultation or audits.

Technical Evaluation is performed on a consensus basis. The Evaluation Team will receive the proposal submissions from TSSA Procurement and read and score each proposal on their own, keeping detailed notes on why specific scores were given. The Evaluation Team will then meet as a group to discuss each of the proposals and to record the consensus score for each evaluation criteria. TSSA Procurement will record all consensus scores/marks on an Evaluation Scoresheet. Each Evaluation Team member will sign off on the final consensus Evaluation Scoresheet when the scoring has been complete.

The evaluation team members ensure that they have no actual or perceived Conflicts of Interest with any of the vendors submitting bids, prior to conducting their evaluation. TSSA Procurement documents each evaluation team member's confirmation by having them complete a Conflict of Interest Declaration.



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All bids are evaluated consistently, according to the criteria outlined in the Procurement Document.

TSSA selects the highest ranked bidder after all bids have been evaluated.

TSSA Procurement will be chairing the evaluation panels providing guidance and ensuring consistency in the process but will not be scoring the proposals.

To ensure the integrity of the process and to provide a proper audit trail, all stages in the evaluation process should be documented in writing to verify that the process has been conducted in accordance with the procurement principles of TSSA and this Policy.

9.1 Conflict of Interest and Confidentiality

Conflict of interest is a serious concern that must be considered before beginning the evaluation process. Members of the evaluation team are responsible to declare any family or business ties with firms and/or individuals to be evaluated. The members of the panel will sign a Conflict of Interest Declaration. After the names of the firms and/or individuals to be evaluated are made known to the evaluation team members, all members are expected to declare any potential, perceived or actual conflict of interest that may exist with any of the firms and/or individuals to be evaluated, that may impede their ability to impartially evaluate any of the offers received. A competitive process contains data commercially and/or financially sensitive, therefore no documents, information, materials, ranking, prices, methodology can be shared with anyone outside the evaluation team until the process is complete.

Any information received throughout a competitive process is strictly confidential; therefore, the members of the evaluation team shall observe this condition and shall refrain from:

- disclosing to any person/party outside the panel the names of the companies participating/or those that refused to participate in the competitive process.
- discussing any details with any of the potential vendors or non-vendors and/or disclosing any details that became known to them and/or can lead to conflict of interest.

To avoid any possible issues, all communication should be routed solely through TSSA Procurement.

9.2 Clarifications during Technical Submission Scoring

If the submission is unclear or ambiguous, TSSA Procurement may contact the prospective vendor in writing requesting a clarification to conduct a proper evaluation. Such clarification shall be limited to the actual material issue, and not be used to modify the bid. No changes in price or substance of the offer can be sought, offered or permitted, and no information about other prospective proponents of offers shall be divulged to the vendor.

9.3 Contract Negotiation

Contract negotiations will be held with the highest scoring proponent(s). TSSA is able to enter contract negotiations with multiple proponents, provided that this is explained within the Procurement Documents.

9.4 Successful Vendor Contract Award

Contract award is the formal decision and approval to establish a contract with a successful supplier, following the bid process. Approval is required as per the Expanded Delegation of Authorities Policy levels for the amount of the contract, prior to the successful vendor being notified.

After the evaluation has been conducted and the evaluation team signs off on the evaluation team's consensus score, TSSA Procurement will prepare a procurement process summary containing the award recommendation

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Putting Public Safety First

Approved by: Senior Management Team on December 16, 2016
Effective: January 1, 2017 Next review: October 2019



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for review and final approval in accordance with established approval process and Expanded Delegation of Authorities Policy.

The document is to be written in a clear and precise manner to reflect all necessary information that led to the recommendation of award and that proper procurement processes were followed. For example, the summary will include:

- Minimum number of valid offers that were obtained, and if not, the reasons recorded as part of the award recommendation to confirm why this was considered acceptable under the circumstances.
- Due diligence has been exercised to ensure that the supplier is acceptable and able to fulfil the goods or services requested.
- The procurement process and evaluation have been carried out in a fair and open manner, in accordance to the procurement principles within this Policy.
- The procurement is in accordance with any other TSSA policies.
- Other information considered important for the review has been factored in.
- Overall recommendation for award.

Once the award is approved by the appropriate level(s), the successful vendor is notified in writing using the TSSA Notice of Award Template.

9.5 Unsuccessful Vendor Debrief and Notice

For any Competitive Procurement with a Procurement Value above \$25,000, TSSA Procurement issues a standard letter of regret to each unsuccessful vendor inviting them to a debriefing within 60 days. For all other Competitive Procurements, TSSA Procurement may issue a letter of regret that is appropriate for the Procurement.

Upon request from a vendor, TSSA Procurement, with other evaluation team members, may provide information to the supplier regarding the strengths and weaknesses of the vendor's proposal. The information should be limited to identifying technical deficiencies or weaknesses in that vendor's offer, and must not disclose financial or cost information of other proposals, nor evaluation scores or other details.

10.0 Document Management and Retention

Original documents are retained by TSSA Procurement in a Procurement File/Record for each Procurement conducted and is to include:

- Documentation of planning process;
- Business Case;
- Documented approvals;
- Documentation of evaluation criteria, weightings and scoring point scale;
- Evaluation team members' conflict of interest declaration;
- Procurement Documents, including addendum issued;
- All communications with prospective vendors;
- All proposals received;
- Final consensus evaluation scores;
- Notice of award;
- Unsuccessful vendor notices;
- Copy of the Agreement/Contract; and,



- Purchase requisition and purchase order, if applicable.

These files will be maintained in accordance with TSSA's Records Management Policy C-CA-100AA.

11.0 Contract Issuance and Management

The approval of vendor selection is given after the evaluation process has been completed, the vendor's references, as required, have been checked and documented, and the contract award summary has been completed and approved by the appropriate level of senior management.

A letter of award is sent to the successful vendor to notify of the award and to confirm that the vendor is still interested in providing the service. The vendor then confirms that the offer is accepted and is willing to proceed to the contracting stage.

A purchase order (PO) may also be required. If so, the Requesting Department is to submit a purchase requisition to TSSA Procurement. TSSA Procurement then issues a PO to the vendor to confirm the goods and/or services being delivered and the associated pricing.

11.1 Form of Contract

TSSA must use the TSSA Standard Form of Contract (or a PO with standard terms and conditions) as appropriate. Any significant changes to the Standard Form of Contract or the PO's standard terms and conditions must be approved by TSSA's Legal Department. TSSA may be required to use a Vendor's Contract. If so, the vendor's contract must be reviewed and approved by TSSA's Legal Department prior to signing.

The Contract is signed by the Signing Authority as determined by the Expanded Delegation of Authorities Policy, based on the Contract Value.

11.2 Unsuccessful Procurement

If the procurement of goods and services is unsuccessful (for example, if no vendors meet the mandatory requirements or there are no bids/proposals received) TSSA may modify and re-issue the Procurement Document, issue an Invitational Competitive Procurement, or enter into contract negotiations with the highest scoring vendor.

11.3 Change Orders and Extensions

The term of the Contract and criteria used to specify any extensions in the Contract must be clearly identified. Approval is sought on the Procurement Value, including all possible extensions.

A Change Order is issued by the Requesting Department when a modification is needed to an existing contract, including a change in scope. The Requesting Department must ensure the following conditions are met to initiate a Change Order.

- Valid requirements have been established;
- Funds are available to cover the purchase;
- Approval is received for the entire Procurement Value according to the Expanded Delegation of Authorities Policy; and,
- Appropriate justification and supporting documentation for the Change Order.

11.4 Contract Management

Due diligence needs to be exercised in managing all Contracts to ensure that the parties fully meet their respective obligations as efficiently and effectively as possible. Once the Contract has been awarded, the Requesting



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Department establishes control and monitors performance to ensure all work is completed within the requirements of the Contract.

The areas of control include:

- Cost control;
- Schedule control;
- Compliance with specifications, terms of reference, statement of work (quality assurance and control); and,
- Compliance with terms and conditions, deliverables, paperwork requirements and administrative aspects of the performance.

Contract monitoring is often initiated at the initial meeting between the Requesting Department members, and vendor representatives. From that point, the contract/project manager can exercise control through a series of progress reports or meetings. Ensuring results and cost control within the project schedule are chief objectives of contract monitoring.

The vendor may be required to regularly submit documentation that contains progress/implementation status information based on the requirements of the Contract. For monitoring and control purposes where quantities of goods are involved, there is need to verify the correct number of items delivered. Hours used against the plan and progress toward completion of the deliverables must be monitored. To get good results from a contractor, precise performance objectives are established and documented in the Contract. The contractor needs to know exactly what is expected and when it is expected.

Problem areas are to be acted upon promptly and corrective action taken, as applicable. Contract files include copies of letters, meeting notes, and documentation of phone conversations as evidence that conscientious monitoring has occurred during the period of the contract.

A vendor assessment may be completed following contract completion to assess the vendor's quality of work, communications, collaboration, and other relevant performance measures to the Procurement. This would be coordinated by TSSA Procurement with participation from the Requesting Department. The results of the assessment would be filed by TSSA Procurement in a Procurement File/Record for each Procurement and a Vendor Performance tracking log for future reference.

11.5 Contract Amendments

When monitoring, contract/project managers may become aware of areas where the contract could be written more clearly. Changes to the original Contract may be necessary to clarify contractor expectations. Contract amendments must be made in writing.



Appendix A: Terms and Definitions

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

“Allowable Exceptions” refers to an option that is available under the various Procurement Methods where a Non-Competitive Procurement is sought to replace a Competitive Procurement.

“Business Case for Allowable Exceptions” refers to the business case that supports a Non-Competitive Procurement.

“Consulting Services” refers to advice, technical assistance and expertise, studies or similar services conveyed for policy, strategy or decision-making considerations.

“Contract” means the aggregate of the (a) form of agreement including any schedules; (b) reference to procurement document, including any addenda; (c) reference to proponent’s proposal; and (d) any amendments executed in accordance with the terms of the contract.

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

“Expanded Delegation of Authorities” refers to a TSSA policy document which delegates authorities from the President and CEO to members of the leadership team within TSSA.

“Follow-on agreement” means an agreement that succeeds an already completed agreement, being naturally related to it.

“Goods” means moveable property and includes raw materials, products, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form that are produced, manufactured or grown and used for commercial purpose.

“Invitational Competitive: Request for Proposal (IC RFP)” refers to RFP where prospective proponents are invited to participate.

“Invitational Competitive: Request for Quote (IC RFQ)” refers to a RFQ where prospective proponents are invited to participate.

“MBC” means the Management Board of Cabinet.

“Non-Competitive Procurement” refers to the Sole Source or Single Source procurement of goods or services.

“Non-Consulting Services” refers to well-defined assignments, typically of a recurring and operational nature, delivered using established methodologies that allow for measurable physical outputs (including reports and documentation).

“Open Procurement” refers to a Procurement Method that allows bids from any qualified vendor.

“Privacy Impact Assessment (PIA)” refers to a framework used to identify, analyze, and address risks that a technology, system, process, or program may impose on an individual's privacy such as the release of personal information as defined in the TSSA Access and Privacy Code Policy (C-CA-400-AA).

“Procurement” refers to any contractual or commercial arrangement involving the acquisition of a good or service through purchase, rental, lease or conditional sale.



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“Procurement Method” means the type of process that is used to procure goods or services.

“Procurement Plan” refers to the annual process whereby each TSSA department plans their procurement needs over the next year to align with TSSA’s Business Plan and Strategic Plan.

“Procurement Principles” refer to those as defined in the TSSA Procurement Policy Section 1.

“Procurement Process” refers to the processes used to acquire goods and services from planning to contract award.

“Procurement Strategy” refers to the annual process whereby TSSA Procurement plans for Procurements in the upcoming year.

“Procurement Type” refers to the nature of what is being procured including Goods, Non-Consulting Services, and Consulting Services.

“Procurement Value” means all costs and conferred value associated with a contractual relationship with a third party. Where a project involves multiple related procurements, the project’s value would be determined by cumulative value of all related procurements.

“Procurement Value Increase” means that the costs and conferred value associated with a procurement initiative have increased following the procurement approval.

“Request for Information (RFI)” means a market research document used to elicit industry information on particular goods or services from the supplier community.

“Request for Proposals (RFP)” refers to an open, competitive procurement process that is followed by posting solicitation documents on a public tendering website, inviting proponents to provide a proposal on specified goods or services.

“Request for Quote (RFQ)” refers to a Procurement Method requesting vendors to provide a quotation on specified goods or services.

“Single Source” means the use of 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 delivering the same goods or services.

“Signing Authority” refers to the individual with the delegated authority to approve the Procurement.

“Sole Source” means the use of a non-competitive procurement process to acquire goods or services from a specific supplier because there are no other suppliers available or able to provide the required goods or services.

“TB/MBC” means Treasury Board/Management Board of Cabinet.

“Threat and Risk Assessment (TRA)” refers to a framework used to identify, analyze, and address vulnerabilities in the transfer, storage, or use of sensitive or valuable information as it relates to TSSA and its customers.

“TSSA Procurement” refers to the group of TSSA employees responsible for administering the procurement of goods and services.

“TSSA Procurement Policy” refers to the policy that governs purchasing of goods and services at TSSA.



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“Trade commitments” means any applicable trade agreement to which Ontario is a signatory or pursuant to which Ontario has accepted obligations.

“Vendor of Record (VOR) arrangement” and “VOR arrangement” mean a procurement arrangement that authorizes one or more qualified vendors to provide goods or services for a defined time period on terms and conditions, including pricing, as set out in the particular VOR agreement.

“VOR Ceiling Price” means the maximum value per assignment, or per multiple project-related assignments, under which a ministry may use the VOR arrangement.



Appendix B: Business Case Requirements

The following requirements pertain to Section 7.6 (Business Case Development) of the policy:

Full Business Case Requirements

A Full Business Case contains, at a minimum:

- An estimate of the Procurement Value.
- Timeline of the Procurement including submission date and implementation date.
- Proposed Procurement Method.
- Procurement Type and a description of goods or services being procured and quantity, if applicable.
- Description of how the goods and services being procured align with TSSA's Strategic Plan and Business Plan.
- Estimated purchase life, if applicable.
- Description of any recurring costs.
- Description of expected benefits arising from the Procurement.
- Description of alternatives, including use of internal resources.

Light Business Case Requirements

A Light Business Case contains, at a minimum:

- An estimate of the Procurement Value.
- Timeline of the Procurement including submission date and implementation date.
- Proposed Procurement Method.
- Procurement Type and description of goods or services being procured and quantity, if applicable.
- Estimated purchase life, if applicable.
- Description of any recurring costs.



Appendix C: Procurement Document Requirements

In addition to the requirements listed in Section 8.1 of this Policy, Procurement Documents should also include the items listed below:

- Declaration that the vendor has not given, directly or indirectly, a benefit of any kind to anyone employed by, or otherwise connected with, TSSA for the purpose of receiving favourable treatment or otherwise obtaining an advantage in connection with the Procurement.
- Tax compliance declaration that the vendor's Ontario taxes are or will be in good standing prior to signing an Agreement.
- Notice that any confidential information supplied to TSSA may be disclosed by TSSA where it is obliged to do so under the TSSA Access and Privacy Code Policy (C-CA-400-AA), by an order of a court or tribunal or otherwise by law.
- Conflict of interest provisions that define conflict of interest to include:
 - Situations or circumstances that could give a vendor an unfair advantage during a procurement process or compromise the ability of a vendor to perform its obligations under the Agreement;
 - The offer or giving of a benefit of any kind, by or on behalf of a vendor to anyone employed by, or otherwise connected with, TSSA;
 - Reserve the right to solely determine whether any situation or circumstance constitutes a conflict of interest;
 - Reserve the right to disqualify prospective vendors from a procurement process due to conflict of interest;
 - Require prospective vendors participating in a procurement process to declare any actual or potential conflict of interest;
 - Require vendors to avoid any conflict of interest during the performance of their contractual obligations for TSSA;
 - Require vendors to disclose any actual or potential conflict of interest arising during the performance of a contract;
 - Reserve the right to prescribe the manner in which a vendor should resolve a conflict of interest;
 - Allow TSSA to terminate a Contract where a vendor fails to disclose any actual or potential conflict of interest or fails to resolve its conflict of interest as directed by TSSA; and
 - Allow the Contract to be terminated where a conflict of interest cannot be resolved.
- The form of Agreement the successful vendor(s) is expected to sign.
- Appropriate termination clauses must be included in Agreements. As appropriate, mechanisms for amending the agreement from time to time should also be included. Where available, TSSA standardized Terms and conditions are used. Deviations from the Standardized Terms and Conditions must be identified in separate schedule(s) in the Procurement Document for transparency for vendors.
- The level of any security screening that is required.
- For goods valued at \$25,000 or more and services valued at \$100,000 or more, a statement that the Procurement is subject to the Agreement on Internal Trade and the Ontario-Quebec Trade and Co-operation Agreement, if applicable.
- Statement that the Procurement is subject to the *Accessibility for Ontarians with Disabilities Act, 2005* (AODA) and the *Integrated Accessibility Standards Regulation* under the AODA, 2011.
- Provide the option for all vendors to receive a debrief of their proposal submission and details of TSSA's bid dispute process.



Appendix D: Sample 5-Point Rating Scale

Assessment	Definition	Score
Excellent	Exceeds the requirement. Exceptional demonstration by the supplier of the relevant ability, understanding, experience, skills, resource & quality measures required to provide the supplies / services. Response identifies factors that will offer potential added value, with evidence to support the response.	5
Good	Satisfies the requirement with minor additional benefits. Above average demonstration by the Supplier of the relevant ability, understanding, experience, skills, resource & quality measures required to provide the supplies / services. Response identifies factors that will offer potential added value, with evidence to support the response.	4
Acceptable	Satisfies the requirement. Demonstration by the Supplier of the relevant ability, understanding, experience, skills, resource & quality measures required to provide the supplies / services, with evidence to support the response.	3
Minor Reservations	Satisfies the requirement with minor reservations. Some minor reservations of the Supplier's relevant ability, understanding, experience, skills, resource & quality measures required to provide the supplies / services, with little or no evidence to support the response.	2
Serious Reservations	Satisfies the requirement with major reservations. Considerable reservations of the supplier's relevant ability, understanding, experience, skills, resource & quality measures required to provide the supplies / services, with little or no evidence to support the response.	1
Unacceptable	Does not meet the requirement. Does not comply and/or insufficient information provided to demonstrate that the Supplier has the ability, understanding, experience, skills, resource & quality measures required to provide the supplies / services, with little or no evidence to support the response.	0