



**OTTAWA  
COMMUNITY  
FOUNDATION**

invested for good

# Procurement

**ORIGINAL EFFECTIVE DATE:** November 24, 2020  
**LAST REVIEWED:** November 2020  
**SUBJECT TO REVIEW:** November 2025

## POLICY: PROCUREMENT

### Purpose

The purpose of this Policy is to set out procurement principles and methods for the general acquisition of good and services at the Ottawa Community Foundation. The policy includes the minimum required standards that must be followed by all employees to ensure that:

- procurement decisions are aligned with Board approved policies;
- procurement processes are consistent and coordinated across the organization; and
- appropriate approvals and internal controls are followed.

### Principles and Objectives

The overall objective of the Ottawa Community Foundation Procurement Policy is to ensure that goods and services required to meet Ottawa Community Foundation needs are acquired in an economic, environmentally friendly and efficient manner through a procurement process that conforms to the following principles:

#### Transparency


- Conflicts of interest (as described in the Code of Conduct and Conflicts of Interest Policy and the Code of Ethics Policy), both real and perceived, must be avoided during the procurement process and the ensuing contract.

#### Value for Money

- Based on value, goods and services must be procured after consideration of the Ottawa Community Foundation's business requirements and a combination of:
  - Expertise of the vendor or contractor
  - Price
  - Quality
  - Reliability
  - Timeliness
  - Customer Service
  - Other relevant considerations

#### Environmentally Friendly Purchasing practices

- When procuring for goods and services, consider environmentally friendly options to minimize the negative effects on human health and the environmental by the Ottawa Community Foundation's activities.

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- Note that this principle should be considered in conjunction with the business requirements as well as availability at a reasonable cost in a reasonable period of time.

#### Responsible Management

- Procurement approvals are to be made prudently and should be within departmental budget capacity for the capital or expense line item and overall department.
- The procurement method used and associated costs to be incurred should be proportionate to the value, complexity and profile of the goods or services being procured.
- Functional or departmental procurement approvals can only be made by managers with the appropriate and relevant level of authority.
- Each contract should include in its terms a cancellation, termination or modification clause. For significant contracts, consultation with legal counsel is recommended.

These are principles and there will be exceptions in certain circumstances. Non-compliance or variations (inadvertent, unintentional or otherwise) with any aspect of this policy does not create any rights in third parties.

### **Procurement Methods**

#### Goods and Services less than \$30,000:

Purchasing goods and services from a single supplier is permitted. Efficiency factors such as standardization, economies of scale and preferred vendor rates should be taken into consideration when making the purchase.


#### Goods and Services \$30,000 to less than \$100,000:

Estimates or quotes from at least 2 sources should be obtained to demonstrate price and/or value objectives for the Ottawa Community Foundation relative to business requirements.

The rigour of the process should reflect the value, complexity, and profile of the business opportunity.

#### Goods and Services \$100,000 or more:

A detailed Request for Proposal (RFP) must be issued to three or more alternative suppliers in an open or invitational competitive procurement. An RFP document is used to request suppliers to supply solutions for the delivery of products or services or to provide



alternative options or solutions. The process uses predefined evaluation criteria (including price, among others).

Although each RFP is unique, the key elements of an RFP should include the objective, scope of proposal, vendor selection criteria, vendor assessment, and the process timeline. These elements must be formally documented.

Depending on the complexity and uniqueness of the procurement, legal review of the RFP is recommended.

For all procurement activity, unless expressly stated otherwise in the terms and conditions specific to the procurement, the Ottawa Community Foundation reserves the unrestricted right to accept or reject proposals, to select suppliers, to initiate or end negotiations and to do so in all cases according to each procurement's requirements.

#### Sub-dividing of the Procurement Value of Goods & Services

Related purchases should be combined, taking into account foreseeable and optional extensions to determine total procurement value. If the purchases are combined, this may trigger a higher procurement classification.

Dividing the requirements into multiple procurements to reduce the estimated value of a single procurement and avoid the conditions of higher value thresholds is not allowed. The award of multiple consecutive contracts to the same vendor may be made only where each assignment is unique or where follow-on agreements have been approved according to this Policy or in connection with professional services provided under an approved retainer agreement.

#### **Procurement Approval Levels:**

Procurement approvals are to be made prudently and should be within departmental budget capacity for the capital or expense line item and overall department.

Value	Approval level
less than \$ 30,000	Vice-President or Vice-President, Finance
\$ 30,000 to less than \$100,000	Any one of Vice-President or Vice-President, Finance, as well as the CEO
\$100,000 to less than \$500,000	
\$500,000 or more	CEO, and any one of the Chair or Treasurer



### Allowable Exceptions

The following are allowable exceptions for acquiring goods and services without a competition, subject to appropriate approvals:


- a) Where an urgent situation exists and the goods, services or construction cannot be obtained by means of a competitive procurement process. This exception does not apply where management has failed to allow sufficient time to conduct a competitive process.
- b) Where the expenditure for additional works is an extension of approved works authorized under an existing contract. Such approved extensions must be reported periodically to the Vice-President, Finance and the CEO.
- c) Where there is an absence of any bids in response to a competitive procurement process that has been conducted according to the general principles.
- d) Where only one supplier is able to meet the requirements of a procurement in the following circumstances:
  - To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licences, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representatives.
- e) Legal services and related expert services.

### Review for Long-term Supplier Arrangements

For certain goods and services, it may be necessary for the Ottawa Community Foundation to maintain a long-term relationship with a particular vendor or supplier. The reasons for such an arrangement could be driven by the following factors:

- Limited marketplace choices;
- Unique technical capabilities, knowledge and expertise of the supplier;
- Specialized knowledge of the Ottawa Community Foundation's operations possessed by the vendor or supplier which would be difficult and costly to replicate; and/or
- Material and costly Ottawa Community Foundation infrastructure or operational disruption that would result from a vendor or supplier change.

To maintain objectivity and cost effectiveness in such a long-term supplier arrangement, management must conduct and document periodic reviews of the quality and cost competitiveness of the goods or services provided.



Every five years, management is required to conduct a comparative review of alternative suppliers for procurement items of \$30,000 or more. It must do so in a manner that does not favour the current supplier.

#### **Policy Review**

This Policy is reviewed by the Finance and Audit Committee and recommended to the Board for approval every five years.