

Leading Practices in Municipal Procurement

Key findings of the leading practices
assessment template

Introduction

- To coincide with the increased attention in Broader Public Sector procurement from policy-makers and the media, the Ontario Municipal Knowledge Network (“OMKN”) partnered with PPI Consulting Limited (“PPI”) to research and document leading practices in municipal procurement. This work is consistent with the OMKN’s goal of promoting best practices among municipalities, thereby improving taxpayer accountability and transparency.
- The objectives of the project include:
 - to learn what municipalities are doing in terms of leading procurement practices
 - to facilitate the sharing of information to assist other municipalities adopt leading procurement practices
 - to allow municipalities to easily identify any gaps in their existing policies and procedures
 - to inform municipalities of any new, more effective methods of procurement

Methodology

- Ontario municipalities were invited to participate in the project by completing the leading practices assessment template which contained 103 questions covering the following 6 broad categories:
 1. Governance
 2. Resource, Training and Support
 3. Process Efficiency
 4. Opportunities for Cost Savings
 5. Contracting
 6. Opportunities for Joint Procurement
- Each question was presented in a yes or no format with a space available for additional comments.
- Municipalities were canvassed via the AMO Watch File (AWF), the OMKN Twitter account, direct phone contact and an email sent out to OPBA members requesting their participation.
- The assessment template was completed by 22 municipalities from across the province which included lower, upper and single tier municipalities.
- The following is a summary of the results of the assessment template by category.

Results Format

Key Findings/Discussion

- Highlights the general trends for the referenced category, including where leading practices have been widely adopted, and/or areas for improvement.

Sample Calculation

Question 1.12: Does the procurement policy include a section for Single and Sole Sourcing procurements that includes the conditions under which such a procurement method may be considered?

- 19 of 22 of assessment respondents indicated "Yes".
- $19/22 * 100 = 86.3\%$
- Result above 50%, therefore listed as "Practice mostly adopted".

Category 1: Governance-Elements of the Procurement Policy/By-Law

Key Findings/Discussion

- The majority of respondents indicated the procurement policy include conditions to determine the best type of competitive procurement method to use to achieve the desired business outcome. The most common types of competitive procurement methods mentioned include RFT, RFQ, RFP and Pre-Qualification.
- More municipalities could include a section on the disclosure of the pro forma agreement in the bid document in their procurement policy such as for contracts that use the municipality's standard terms and conditions versus more complex contracts.
- Municipalities indicated that the "two envelope system" where qualitative and pricing proposals are received and types of costs that may or may not be included in the financial or pricing evaluation is typically dealt with on a case by case basis and details outlined in the bid document. The above items are typically not addressed in the procurement policy.

Practices mostly adopted

- 86% of respondents indicated the procurement policy include a section for Single and Sole Sourcing procurements.
- 77% of respondents indicated the procurement policy include conditions to determine the best type of competitive procurement method to use to achieve the desired business outcome.
- 77% of respondents indicated the policy addresses the potential for in-house bids and the conditions for considering such a proposal.

Practices mostly not adopted

- 5% of respondents indicated the procurement policy includes a section on the disclosure of the pro forma agreement in the procurement document.
- 41% of respondents indicated the policy addresses the requirement for a "two envelope system" where qualitative and pricing proposals are received.
- 14% of respondents indicated the procurement policy deal with types of costs that may (or may not) be included in any financial or pricing evaluation.

PPI

n = 22 7

Practices mostly adopted

- Indicates leading practice has been adopted by greater than 50% of participating municipalities.

Practices mostly not adopted

- Indicates leading practice has been adopted by 50% or less of participating municipalities.
- Practice should be considered for policy inclusion by non-adopters.

Category 1: Governance-*Elements of the Procurement Policy/By-Law*

Key Findings/Discussion

- All responding municipalities have a documented and approved procurement policy or purchasing by-law.
- The majority of respondents indicated the policy is easy to read and understand for the lay-person with 32% indicating the intended audience are city council and staff.
- Common goods and services among municipalities that the procurement policy specify different requirements for include: real estate, leasing and consulting services.
- Although most municipalities indicated the procurement policy does not include procurement planning requirements, municipalities indicated this is typically done through the budget process.

Practices mostly adopted

- 100% of respondents have a documented and approved procurement policy.
- 91% of respondents indicated that the policy is easy to read and understand for the lay-person.
- 95% of respondents indicated the procurement policy outlines which municipal departments or corporations must comply with the policy.
- 68% of respondents indicated the procurement policy specifies different requirements for different types of goods and services.
- 95% of respondents indicated the procurement policy addresses purchases that are exempt from the policy.

Practices mostly not adopted

- 5% of respondents indicated the procurement policy includes procurement planning requirements by the municipality.

Category 1: Governance-*Elements of the Procurement Policy/By-Law*

Key Findings/Discussion

- The majority of municipalities indicated the procurement policy sets out delegation of authority schedules that detail which level (e.g. Director, Manager, Council, etc.) must approve different procurement value thresholds.
 - Those municipalities that did not have a delegation of authority schedule are working towards developing one.
- More municipalities could introduce additional control procedures within the purchasing process by including a policy for the segregation of duties for activities such as requisition, budgeting, commitment, receipt, and payment.

Practices mostly adopted

- 73% of respondents indicated the procurement policy include a Code of Ethics.
- 91% of respondents indicated the procurement policy sets out delegation of authority schedules that detail which level must approve different procurement value thresholds.
- 91% of respondents indicated the procurement policy sets out a schedule for different means of acquisition at different procurement values.
- 77% of respondents indicated the procurement policy include a section for assessing whether competitive versus non-competitive procurement processes may be used.

Practices mostly not adopted

- 41% of respondents indicated the procurement policy include a section for segregation of duties.

Category 1: Governance-*Elements of the Procurement Policy/By-Law*

Key Findings/Discussion

- The majority of respondents indicated the procurement policy include conditions to determine the best type of competitive procurement method to use to achieve the desired business outcome. The most common types of competitive procurement methods mentioned include RFT, RFQ, RFP and Pre-Qualification.
- More municipalities could include a section on the disclosure of the pro forma agreement in the bid document in their procurement policy such as for contracts that use the municipality's standard terms and conditions versus more complex contracts.
- Municipalities indicated that the "two envelope system" where qualitative and pricing proposals are received and types of costs that may or may not be included in the financial or pricing evaluation is typically dealt with on a case by case basis and details outlined in the bid document. The above items are typically not addressed in the procurement policy.

Practices mostly adopted

- 86% of respondents indicated the procurement policy include a section for Single and Sole Sourcing procurements.
- 77% of respondents indicated the procurement policy include conditions to determine the best type of competitive procurement method to use to achieve the desired business outcome.
- 77% of respondents indicated the policy addresses the potential for in-house bids and the conditions for considering such a proposal.

Practices mostly not adopted

- 5% of respondents indicated the procurement policy includes a section on the disclosure of the pro forma agreement in the procurement document.
- 41% of respondents indicated the policy addresses the requirement for a "two envelope system" where qualitative and pricing proposals are received.
- 14% of respondents indicated the procurement policy deal with types of costs that may (or may not) be included in any financial or pricing evaluation.

Category 1: Governance-*Elements of the Procurement Policy/By-Law*

Practices mostly adopted (continued)

- 64% of respondents indicated the policy addresses the potential for a negotiated contract.
- 55% of respondents indicated the policy addressed the potential for unsolicited bids and the conditions for considering such a proposal.

Category 1: Governance-*Elements of the Procurement Policy/By-Law*

Key Findings/Discussion

- All municipalities indicated they publish opportunities on their websites, however, more municipalities could increase market awareness by specifying requirements for the use of Electronic Tendering Systems in their procurement policy.
- Respondents that indicated the municipality's procurement policy does not include a section on access to information legislation and the requirement for vendors to be compliant with paying their taxes indicated it is typically addressed in the municipalities procedures or the bid document.

Practices mostly adopted

- 82% of respondents indicated the procurement policy include a section on (or reference to) the applicable legislation.
- 68% indicated the procurement policy includes a section for environmental considerations.
- 55% of respondents indicated for situations where outside vendors are hired to develop specifications for a future procurement requirement, the policy details the conditions under which the outside vendor would be permitted to propose on the future requirement.
- 55% of respondents indicated the procurement policy includes a section on (or reference to) access to information legislation.

Practices mostly not adopted

- 41% of respondents indicated the procurement policy specify requirements for the use of Electronic Tendering Systems.
- 23% of respondents indicate the procurement policy include a section on the requirement for vendors to be compliant with paying their taxes.

Category 1: Governance-*Elements of the Procurement Policy/By-Law*

Key Findings/Discussion

- Municipalities indicated the following information is typically specified in the bid document and part of the municipality's standard templates:
 - minimum insurance requirements;
 - items to be included in procurement documents (i.e. contact person information, description of goods or services, time and place of closing); and
 - the disclosure of the evaluation process.
- Of the 41% of respondents that indicated the procurement policy addresses the composition of evaluation teams, the majority indicated a minimum of 3 evaluators is required to evaluate proposals.

Practices mostly adopted

- 73% of respondents indicated the procurement policy include a section for bid deposits, guarantees or other such mechanisms.
- 55% of respondents indicated the procurement policy include a section for the disclosure of evaluation criteria contained in procurement documents.

Practices mostly not adopted

- 50% of respondents indicated the procurement policy include a section for minimum insurance requirements.
- 27 % of respondents indicated the procurement policy include a section on items to be included in procurement documents.
- 41% of respondents indicated the procurement policy addresses the composition of evaluation teams.
- 41% of respondents indicated the procurement policy has a section for the disclosure of the evaluation process contained in procurement documents.

Category 1: Governance-*Elements of the Procurement Policy/By-Law*

Key Findings/Discussion

- The majority of municipalities have worked to streamline the procurement process by identifying common irregularities in procurement processes and the actions taken to deal with the irregularity.
- Municipalities indicated the following information is typically specified in the bid document and included in the municipality's procedures:
 - timelines for procurements;
 - process for receiving bid submissions; and
 - requirements for a public opening.

Practices mostly adopted

- 73% of respondents indicated the procurement policy includes a section for identifying and dealing with common irregularities in procurement processes.
- 59% of respondents indicated the procurement policy specifies the requirements for a public opening.

Practices mostly not adopted

- 36% of respondents indicated the procurement policy specifies timelines / schedules for procurements.
- 50% of respondents indicated the procurement policy specifies a process for receiving bid submissions.
- 50% of respondents indicated the procurement policy identifies which individuals participate in bid openings.
- 23% of respondents indicated the procurement policy addresses the composition of the evaluation team (e.g. number of individuals evaluating proposals, minimum number of evaluators needed to reach quorum).

Category 1: Governance-*Elements of the Procurement Policy/By-Law*

Key Findings/Discussion

- To ensure the fair and consistent treatment of proposals, more municipalities could require evaluation team members to sign a code of conduct which may include sections on conflict of interest declaration, confidentiality/non-disclosure and roles and responsibilities.
- More municipalities could streamline the evaluation process and ensure it has a defensible auditable position, by providing evaluators standardized evaluation scoring booklet.

Practices mostly adopted

- 68% of respondents indicated the procurement policy address how to resolve a tie score.

Practices mostly not adopted

- 27% of respondents indicated the policy requires the evaluation team members to sign a conflict of interest declaration form.
- 14% of respondents indicated the policy require the evaluation team members to sign a confidentiality agreement (non-disclosure or equivalent) form.
- 36% of respondents indicated the policy require the evaluation team to record their scores and rationale for their scores in a "scoring booklet" or equivalent.
- 23% of respondents indicated the policy include a section on the evaluation process to be used in assessing submissions for each type of procurement.
- 27% of respondents indicated the policy requires use of a facilitator to conduct consensus scoring sessions.

Category 1: Governance-*Elements of the Procurement Policy/By-Law*

Key Findings/Discussion

- The majority of respondents indicated the municipality reviews the procurement policy every 5 years.
- More municipalities could assist vendors in improving future submissions by developing a policy on proponent debriefings including number of days vendors could request a debriefing after the results of the procurement and topics to be covered during debriefings.
- More municipalities could develop policies regarding record retention including the list of procurement documents, number of years and storage location.

Practices mostly adopted

- 95% of respondents have a process to review, update and make changes to its procurement policy.

Practices mostly not adopted

- 32% of respondents indicated the policy includes a section on the process to notify all proponents of the results of the procurement.
- 32% of respondents indicated the policy includes a section on proponent debriefings.
- 23% of respondents indicated the policy includes a section on details to be included on invoices.
- 32% of respondents indicated the policy addresses whether non-compliant proposals are to be returned to the proponents.
- 50% of respondents indicated the policy includes a section for the cancellation of procurements.
- 41% of respondents indicated the policy references the municipality's policy for record retention.

Category 1: Governance - *Ensuring Compliance to the Policy*

Key Findings/Discussion

- All municipalities indicated their procurement policy is publicly available to all stakeholders such as being posted on the municipality's website.
- Processes and controls that municipalities have in place to ensure compliance with the procurement policy include:
 - regular communication with employees (weekly/monthly meetings, intranet, newsletters);
 - required documentation for invoices/purchase orders; and
 - internal audit,

Practices mostly adopted

- All respondents indicated the municipality's procurement policy publicly available to vendors, employees and other external stakeholders.
- 77% of respondents have processes and controls in place to ensure compliance with the procurement policy.
- 82% of respondents have a department or team responsible for ensuring compliance with the procurement policy.

Practices mostly not adopted

- 32% of respondents have a protocol for disciplinary action for non-compliance with the procurement policy.

Category 2: Resource, Training and Support

Key Findings/Discussion

- The majority of municipalities have a procurement (purchasing) department that provides training and support to all staff involved on procurements.
- Although the majority of respondents indicated training is provided to all staff, not all municipalities have a formal training program in place which includes re-training and the frequency of re-training.
- The municipality's procurement staff typically oversee all procurements over \$10,000 to \$25,000, with some exceptions such as engineering contracts and smaller de-centralized municipalities.
- To ensure the integrity of the evaluation process, more municipalities could offer evaluation teams a formal evaluator training session on the process, evaluation handbook/materials and method of scoring.
- None of the municipalities surveyed had a policy, formal or informal, for the use of Fairness Commissioners for procurements.
- For additional information on the use of Fairness Commissioners in procurement processes, please see **Appendix A: An Introduction to Fairness Advisory**.

Category 2: Resource, Training and Support

Practices mostly adopted

- 86% of respondents have a procurement / purchasing department.
- 77% of the respondents indicated the procurement / purchasing department reports directly to someone on the senior executive team or have its own representative on the senior executive team.
- 77% of the respondents procurement templates and forms are easily accessible to all staff.
- 82% of respondents offer training sessions to all staff that are involved in the procurement process on the procurement policy and templates.
- 64% of respondents indicated the municipality's procurement staff offer training sessions to individuals that participate on evaluation teams.
- 86% of respondents use subject matter experts within their procurement processes for complex or specialized projects.
- 91% of respondents have access to legal counsel during all phases of the procurement.
- 82% of respondents indicated their municipality provides funding for professional development for all staff involved in the procurement process.

Practices mostly not adopted

- 32% of respondents indicated the municipality's procurement staff oversee all procurements.
 - 45% of respondents indicated the municipality's procurement staff oversee all procurements over a certain dollar threshold.
- None of the respondents have a policy for the use of Fairness Commissioners for procurements.

Category 3: Process Efficiency

Key Findings/Discussion

- The majority of municipalities utilize templates for bid documents such as RFTs and RFPs with standard Terms and Conditions.
- Although municipalities utilize templates, more municipalities could improve process efficiency by developing a documented and approved procurement process workflow (e.g. including key steps, decisions, documents to be developed and staff involved).
- The majority of respondents indicated the municipality has a process for updating or revising the standard Terms and Conditions based on outcomes from procurement policies that the municipalities experiences, however, some municipalities indicated that the process was informal and adjustments are made as suggestions are brought forward.
- Most municipalities use Information Sessions (vendor briefings or bidders' conference) in procurement processes.
- More municipalities can develop standard templates and processes for activities that may occur after the awarding of contracts, specifically the
 - development of debriefing templates;
 - implementing processes for lessons learned to improve procurement processes and documents; and
 - development of a documented and approved bid protest procedure in case the situation arises.

Category 3: Process Efficiency

Practices mostly adopted

- 68% of respondents have a template procurement approval authority form.
- 91% of respondents utilize templates for RFT, 86% for RFP, 73% for RFQ, and 55% for RFEOI.
- 86% of respondents have sample common evaluation criteria to assist with the development of RFPs.
- 82% of respondents have template procurement documents that have standard Terms and Conditions that have been reviewed and approved by a procurement lawyer.
- 68% of respondents have a process for updating or revising the standard Terms and Conditions based on outcomes from procurement policies that the municipality experiences.
- 82% of respondents Information Sessions (vendor briefings or bidders' conference) in procurement processes.
- 82% of respondents have template award notification letters for successful and unsuccessful proponents.
- 64% of respondents utilize e-procurement.
- 55% of respondents have a documented and approved procurement process workflow.
- 55% of respondents have defined approvals workflows to support efficient and repeatable procurement processes.

Practices mostly not adopted

- 50% of respondents utilize templates for Request for Information.
- 27% of respondents use Commercially Confidential Meetings in procurement processes.
- 14% of respondents have a proponent debriefing template.
- 45% of respondents have a documented and approved bid protest procedure.
- 18% of respondents have a process for lessons learned workshops.

Category 4: Opportunities for Cost Savings

Key Findings/Discussion

- All municipalities advertise their procurement opportunities in multiple media (e.g. electronic tendering boards, municipality website, trade associations, etc.)
- All municipalities assess opportunities to issue procurement documents with long-term contracts as an opportunity to receive more favourable pricing.
- In addition to saving resources required to issue a separate competitive procurement for commonly used goods and services, more municipalities can set up preferred vendor lists that can potentially achieve significant cost savings.
 - The goods and services that would be good candidates for preferred vendor lists could be easily identified as the majority of municipalities identify opportunities to combine purchasing needs across departments.
- More municipalities could have standard metrics by which to measure the results of the procurement.
 - Metrics could be compared to the original desired business outcome of the procurement.
- More municipalities could use reverse auctions for goods and services where price is the primary consideration.

Category 4: Opportunities for Cost Savings

Practices mostly adopted

- 86% of respondents identify opportunities to combine purchasing needs across departments.
- All respondents assess opportunities to issue procurement documents with long-term contracts as an opportunity to receive more favourable pricing.
- 68% of respondents use out-bound telephone calling or e-mail to prospective proponents to generate interest in a procurement opportunity.
- All respondents advertise their procurement opportunities in multiple media.
- 73% of respondents utilize Purchasing Cards (P-Cards) for low dollar value purchases.
- 95% of respondents have a policy for the sale or disposal of surplus goods.

Practices mostly not adopted

- 50% of respondents have standard metrics by which to measure the results of a procurement.
- 41% of respondents have a process to set up preferred vendor lists, where applicable.
- 14% of respondents use Reverse Auctions.

Category 5: Contracting

Key Findings/Discussion

- The majority of municipalities have a process for approving contracts with the proponents that are successful through the procurement process.
 - Some municipalities indicated the process is procedural and not formally documented in the procurement policy.
- Although not included in the formal procurement policy, many of the municipalities indicated they disclose the contract extension details in the procurement document.
- More municipalities could develop a vendor performance monitoring policy to ensure contract compliance and assist in identifying vendors that may be excluded from future competitions based on poor performance.
- More municipalities could develop policies regarding the use of dispute resolution processes and termination clauses in all contracts.

Practices mostly adopted

- 91% of respondents have a process for approving contracts with the successful proponents.
- 64% of respondents indicated the municipality details the conditions under which contract extension/renewal options will be considered.
- 64% of respondents have a policy or protocol for excluding bidders from competitions based on poor past performance with the municipality or if the proponent is currently in litigation regarding a similar project.
- 55% of respondents have a vendor performance monitoring policy.

Practices mostly not adopted

- 27% of the respondents have a policy that requires the disclosure of extension options in all contracts and limitations on extensions.
- 36% of respondents have a policy that requires contracts to include a dispute resolution process and termination clauses.

Category 6: Opportunities for Joint Procurement

Key Findings/Discussion

- Joint procurement occurs for goods and services that are standardized such as commodities.
- Municipalities are members of co-operative purchasing groups which consists of various agencies that receive funding from tax dollars that are close in proximity.
 - Members could more pro-actively work to identify other municipalities that can benefit from joint procurement.
- Municipalities and their associated co-operative purchasing groups can pro-actively identify other goods and services for joint procurements where there is less product standardization and where price is not the primary consideration (e.g. IT resources, insurance, benefits).
 - Some existing co-operative purchasing groups include the cooperative purchasing group of Waterloo Region (CPGWR), Guelph (GCPG) and Halton.

Practices mostly adopted

- 64% of respondents have a documented and approved procurement procedure for joint procurement with other municipalities.
- 55% of respondents have an example of a successful joint procurement with other municipalities.

Practices mostly not adopted

- 36% of respondents have set out what goods and services would be good candidates to benefit from joint procurement.
- 36% of respondents have a process to identify possible municipalities with which to partner for a joint procurement.

Overall Key Findings/Discussion

- **Municipalities are continually changing procurement policies to reflect best practices.** Some responding municipalities indicated that they are currently revising and including items identified in the leading practices assessment template in their procurement policies.
- **There is always room for improvement.** Although respondent municipalities indicated their procurement policy addressed a specific leading practice, some indicated they felt there was insufficient information or the section could be developed further.
- **Formalizing existing best practices.** Participating municipalities that answered “no” to a leading procurement practice in many instances indicated the municipality is consistently using the leading practice or procedure, but did not have the practice formally documented in their procurement / purchasing policy or by-law.

Appendix A: An introduction to Fairness Advisory

Importance of Fairness in Public Procurement

- **Increased attention to ethics and accountability** in public sector procurement practices and management.
- **New forms of service delivery** lead to new forms of contractual relationships between the public and private sectors that differ from traditional procurement practices, for example:
 - Leasing, licensing, competitive vs. collaborative processes, and public-private [P3] arrangements for risk and reward sharing
 - Multi-year contracts that need to respond to and reflect change over time
 - Recognition of competitive commercial-confidential considerations
 - Value for money assessment and audit
- **Greater media scrutiny** of public procurement, particularly public-private partnering initiatives or innovative financing arrangements.
- **Increased demands from vendors** for fair, open and transparent procurement processes.
- **Significant costs for bidders** to formulate and submit responses to Requests for Proposals (RFPs).
- **Need for confidence** that responses will be assessed in an objective manner and in accordance with published evaluation criteria.
- **Avoidance of legal challenge** to the procurement process which can be costly, cause projects delays and undermine supplier confidence.

Appendix A: An introduction to Fairness Advisory

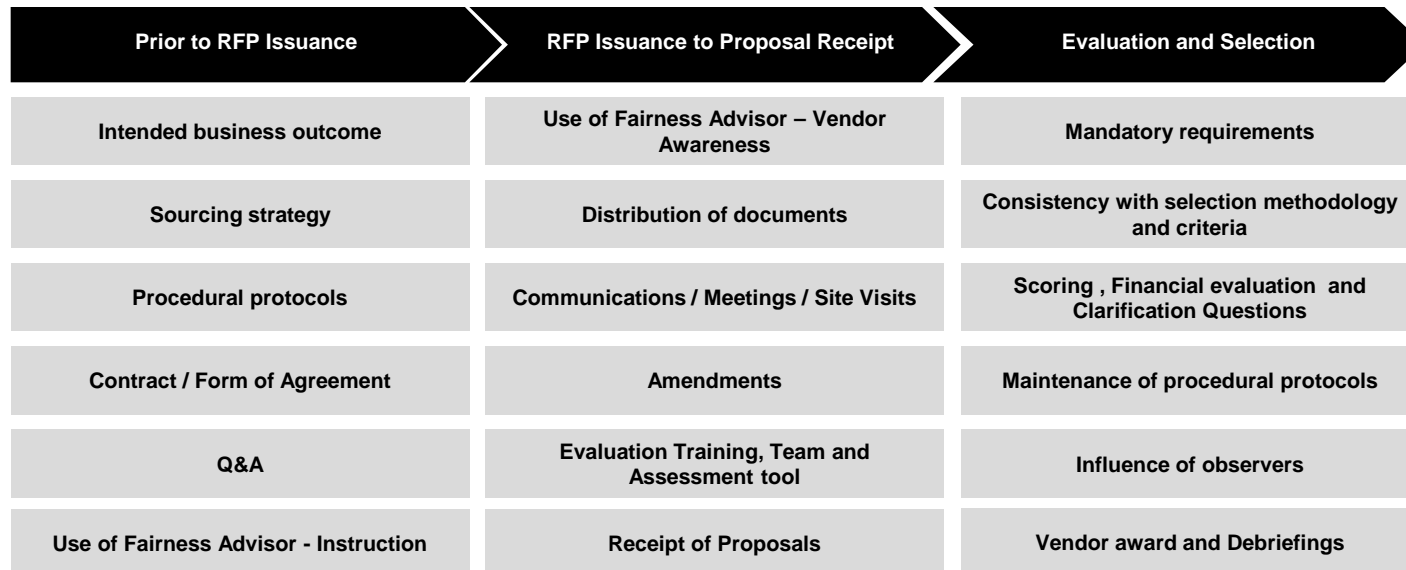
The Fairness Commissioner Role

- **The Role of Fairness Commissioners or Advisors** is to provide unbiased, third party oversight, ideally over the full procurement lifecycle, to assist in achieving the desired business outcome.
- **Often used in large-scale, complex, and/or highly political procurements**, Fairness Commissioners assist in risk mitigation; providing recommendations on the process and documentation, attending key meetings and preparing a final report describing activities, appropriateness of the process, and degree of fairness compliance.
- **Fairness Commissioners abide by a duty of fairness**, and therefore provide guidance to a Client on what constitutes fair practice. If, however, the Client opts not to follow the recommendation, the Fairness representative has a duty to include this information in their final report / attestation.
- **As external procurement experts** Fairness Commissioners have the advantage of providing arms-length advice and recommendations without undue influence of existing internal processes and people.
- **Fairness Commissioners do not replace or duplicate the Procurement Team's responsibilities** for managing a procurement process, inclusive of due diligence. Fairness advice should supplement in-house due diligence, except that the internal Team will not prepare an attest statement or report specifically on the integrity of the process.
- **Ideally engaged at the planning stage of a procurement process**, Fairness advisors can also be involved at any stage in a procurement process to assist in overcoming unanticipated challenges as the need arises.
 - Typically engaged by senior management as the result of a competitive process, the expectations of a Fairness Commissioner on a given procurement project are set out contractually and usually include provisions for periodic progress reports to senior management and presentation of the final report to Council as applicable.

Appendix A: An introduction to Fairness Advisory

Primary Elements of Fairness Advisor Project

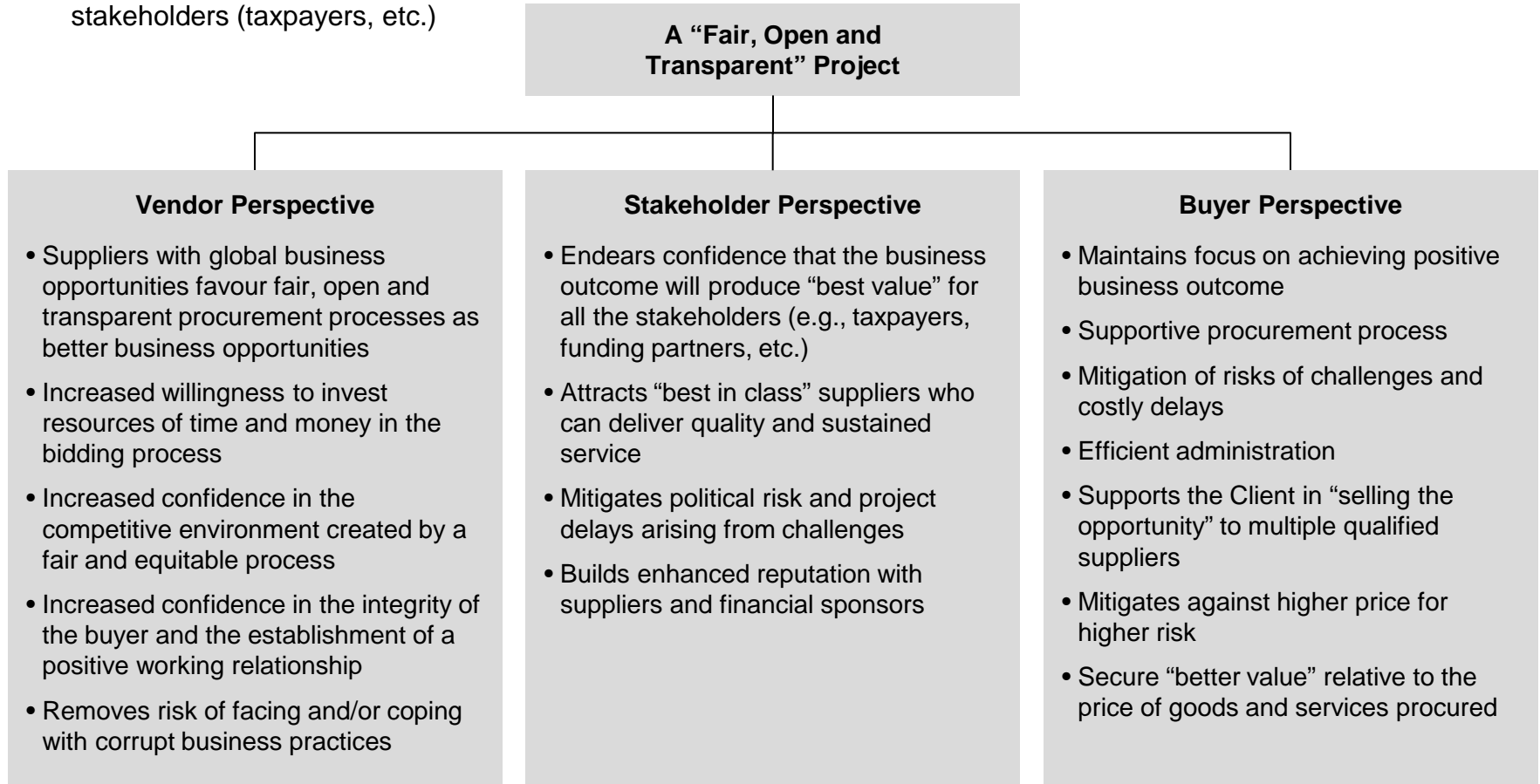
- Ensuring no conflict of interests (perceived, potential or actual);
- Providing independent, third-party recommendations and advice related to process and documentation;
- Managing political interference and /or lobbying;
- Ensuring the conduct of the procurement process is free of favouritism or bias;
- Ensuring demonstrated clarity in evaluation criteria and the assessment and scoring process;
- Ability to demonstrate value for money;
- Ensuring there is no material change in the process, documents and contacting conditions; and
- Maintaining confidentiality of bidder documents and commercial sensitive information (intellectual property).



Appendix A: An introduction to Fairness Advisory

Fairness Advisors meet the needs of all 3 Stakeholder Groups

- Although hired by the Buyer, the Fairness Advisor must meet the needs of the Vendors, Buyers and broader stakeholders (taxpayers, etc.)



Appendix B: Assessment Form



Assessment Form
Final_Word

Appendix C: Glossary of Terms

- "**Accountability**" means the obligation of an employee, agent or other person to answer for or be accountable for, work, action or failure to act following delegated authority.
- "**Agreement**" means the formal written document that will be entered into at the end of the procurement process.
- "**Approval Authority**" means the authority delegated by the Organization to a person designated to occupy a position to approve on its behalf one or more procurement functions within the plan-to-pay cycle up to specified dollar limits subject to the applicable legislation, regulations and procedures in effect at such time.
- "**Award**" means the notification to a proponent of acceptance of a proposal, quotation or tender that brings a contract into existence.
- "**Bid**" means a proposal, quotation or tender submitted in response to a solicitation from a contracting authority. A bid covers the response to any of the three principal methods of soliciting bids, i.e., Request for Proposal, Request for Tender and Request for Quotation.
- "**Bid Protest**" means a dispute raised against the methods employed or decisions made by a contracting authority in the administration of a proposal, tender, or quotation process.
- "**Competitive Procurement**" means a set of procedures for developing a procurement contract through a bidding or proposal process. The intent is to solicit fair, impartial, competitive bids.
- "**Conflict of Interest**" means a situation in which financial or other personal considerations have the potential to compromise or bias professional judgment and objectivity. An apparent conflict of interest is one in which a reasonable person would think that the professional's judgment is likely to be compromised.
- "**Consulting Services**" means the provision of expertise or strategic advice that is presented for consideration and decision-making.

Appendix C: Glossary of Terms cont.

- "**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.
- "**Electronic Tendering System**" means a computer-based system that provides suppliers with access to information related to open competitive procurements.
- "**Evaluation Criteria**" means a benchmark, standard or yardstick against which accomplishment, conformance, performance and suitability of an individual, alternative, activity, product or plan is measured to select the best supplier through a competitive process. Criteria may be qualitative or quantitative in nature.
- "**Evaluation Team**" means a group of individuals designated/responsible to make award recommendation. The evaluation team would typically include representatives from the Organization and subject matter expert(s). Each member participates to provide business, legal, technical and financial input.
- "**Goods**" means moveable property (including the costs of installing, operating, maintaining or manufacturing such moveable property) including raw materials, products, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form, unless they are procured as part of a general construction contract.
- "**Procurement**" means acquisition by any means, including by purchase, rental, lease or conditional sale, of goods or services.
- "**Procurement Value**" means the estimated total financial commitment resulting from procurement, taking into account optional extensions.
- "**Purchase Order (PO)**" means a written offer made by a purchaser to a supplier formally stating the terms and conditions of a proposed transaction.

Appendix C: Glossary of Terms cont.

- "**Request for Proposal (RFP)**" means a document used to request suppliers to supply solutions for the delivery of complex products or services or to provide alternative options or solutions. It is a process that uses predefined evaluation criteria in which price is not the only factor.
- "**Reverse Auction**" means a type of process in which the roles of buyers and sellers are reversed. In a reverse auction, sellers compete to obtain business, and prices typically decrease over the period of competition. It is used when the goods/services are well-defined and price is the primary factor.
- "**Segregation of Duties**" means a method of process control to manage conflict of interest, the appearance of conflict of interest, and errors or fraud. It restricts the amount of power held by any one individual. It puts a barrier in place to prevent errors or fraud that may be perpetrated by one individual.
- "**Services**" means intangible products that do not have a physical presence. No transfer of possession or ownership takes place when services are sold, and they (1) cannot be stored or transported, (2) are instantly perishable, and (3) come into existence at the time they are bought and consumed.
- "**Supplier/Vendor**" means any person or organization that, based on an assessment of that person's or organization's financial, technical and commercial capacity, is capable of fulfilling the requirements of procurement.
- "**Supplier Debriefing**" means a practice of informing a supplier why their bid was not selected upon completion of the contract award process.
- "**Two envelope system**" means the protocol of requiring suppliers to submit their RFP response in two separate sealed envelopes; one for the technical rated requirements, and one for their financial. This allows for review of the technical criteria by the Evaluation Team without the bias of pricing knowledge. Suppliers who do not meet the technical rated thresholds as set out in the RFP will not proceed to subsequent stages of the process and their financial submissions should be returned unopened.

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