

PROCUREMENT POLICY

1 DEFINITIONS

“Board” is the Board of Directors of the Toronto Atmospheric Fund (TAF).

“Broader Public Sector Accountability Act (BPSAA)” is a Government of Ontario Act that establishes requirements in the areas of compensation, expenses, perquisites, business documents and procurement, and is designed to improve accountability and transparency across the Broader Public Sector.

“Contract” is an agreement between TAF and a supplier for the procurement of goods and services.

“Competitive procurement” is a process that includes a bidding or a proposal process to provide equal opportunity to multiple vendors, intended to solicit fair and competitive bids.

“Goods” are moveable property (including the cost of operating, maintaining or manufacturing such moveable property and includes raw materials, products, equipment and other physical objects of every kind and description whether sold in solid, liquid, gaseous or electronic form, unless they are procured as part of a general construction contract.

“Non-competitive procurement” is a procurement negotiated directly from one or more suppliers, but does not include negotiations provided for under the terms of a competitive solicitation.

“Procurement” is the acquisition of goods and/or services by any contractual means, including purchase, rental, lease or conditional sale.

“Procurement process” is the process that begins after TAF has decided on its requirements and continues through to and including contract award and execution.

“Services” are all services, including construction services, unless otherwise specified.

“Single Sourcing” means the use of a non-competitive procurement process to acquire services or goods from a specific supplier even though there may be more than one supplier capable of delivering the same services or goods.

“Sole sourcing” means the use of a non-competitive procurement process to acquire services or goods where there is only one available supplier for service or goods.

“Supplier” is a person or group of persons that provides or could provide goods or services.

“Value” or “procurement value” is the estimated maximum total value of the procurement over its entire duration, taking into account all forms of remuneration.

2 PURPOSE

The purpose of this Policy is to specify the principles and requirements governing TAF procurements.

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APPROVED BY	DRAFT POLICY FOR APPROVAL BY BOARD OF DIRECTORS
CONTACT	CEO

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3 PRINCIPLES

All procurements will adhere to the following principles:

- 3.1 Be fair, equitable, unbiased, open and transparent;
- 3.2 Provide TAF with quality goods and services and value for money, and protect TAF's endowments, and allow TAF to advance its mandate;
- 3.3 Maximize diversity, equity and inclusion and reduce and prevent barriers to participation;
- 3.4 Be free of perceived, potential, or actual conflicts of interest;
- 3.5 Use efficient, effective best practices applicable to the not-for-profit sector;

4 GOVERNANCE

4.1 Board of Directors

The Board of Directors is responsible for establishing the Policy, approval of specific procurements, and oversight of its implementation, specifically:

- 4.1.1 Approving TAF Procurement Policy.
- 4.1.2 Directing the CEO to implement the Policy.
- 4.1.3 Receiving reports (from CEO) regarding implementation of and compliance with the Policy.
- 4.1.4 Approving non-competitive procurements above a threshold of \$500,000, as per section 7.

4.2 Chief Executive Officer

The Chief Executive Officer (CEO) is responsible for the following:

- 4.2.1 Guiding development and implementation of procurement processes and ensuring staff capacity for implementation with excellence
- 4.2.2 Executing all contracts
- 4.2.3 Monitoring the implementation of and compliance with the Policy
- 4.2.4 Reporting to the Board of Directors as directed by this Policy

5 AUTHORITIES AND ACCOUNTABILITIES

- 5.1 The TAF Relationship Framework with City of Toronto gives the Board authority to adopt purchasing policies in consultation with Purchasing and Materials Management Division (PMMD) and states that PMMD will consider requests for assistance for TAF on matters related to procurement.
- 5.2 The Ontario Transfer Payment Agreement between the Province of Ontario, TAF, and City of Toronto requires goods, services or both to be acquired through a process that promotes best value for money and complies with the Broader Public Sector Accountability Act (BPSAA), including any procurement directive issued thereunder, to the extent applicable. Under this agreement, TAF must provide a quarterly financial report including details of any procurements.

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- 5.3 The funding agreement between the Federation of Canadian Municipalities, TAF and the City of Toronto requires TAF to create, maintain and update as needed, subject to compliance with any applicable City Policies as may be included by the City in the Relationship Framework from time to time, a procurement policy.
- 5.4 TAF's Approval Authority Schedule applies to the approval of all new contracts as well as the approval of amendments to existing contracts, regardless of whether such amendments change the value of existing contracts.

6 CONFLICT OF INTEREST

All procurements shall be conducted in strict adherence with TAF's Conflict of Interest and Code of Conduct policies.

7 PROCUREMENT METHODS

- 7.1 TAF will employ a competitive procurement process wherever possible to achieve optimum value. Exemptions or exceptions set out in section 7.3.2 of this policy apply justifying a non-competitive procurement. Competitive procurements shall be managed in accordance with the procurement methods outlined in the table below. For clarity, the values below are exclusive of excise taxes.

Dollar Value	Procurement Method
Less than or equal to \$12,000	Quotations not required. Due diligence must be exercised to ensure the purchase price reflects fair market value.
Greater than \$12,000 but less than \$121,200	Competitive: Invitational (minimum of 3 quotes required)*
\$121,200 and greater	Competitive: Open (posted on TAF's and public tendering websites)

*TAF may elect to use an open competitive process for procurements less than \$121,200

7.2 Competitive Procurements

Competitive procurement means a process that includes a bidding or a proposal process to provide equal opportunity to multiple vendors, intended to solicit fair and competitive bids.

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7.2.1 Weighting

- 7.2.1.1 Price: Competitive procurements will assign a weighting for price between 20% and 50% based on the nature of procurement (e.g. services versus goods, complexity, budget), the procurement approach being utilized, and current market conditions. This weighting (20-50%) does not apply to procurement processes where a prequalified supplier (vendor of record) is being used or where the budgeted amount is disclosed. In addition, this weighting (20-50%) does not apply to the purchase of goods with known specifications/requirements; these will be evaluated strictly on cost. Any additional exceptions must be approved by the CEO or delegate.
- 7.2.1.2 Competitive procurements may have a weight assigned for diverse suppliers (encompassing minority-owned and historically underutilized businesses) and/or suppliers' demonstrated commitment to diversity, equity and inclusion.
- 7.2.1.3 Weighting exceptions: any exceptions to this price weighting beyond those outlined in this section must be approved by the CEO or delegate.

7.2.2 Support from City of Toronto Purchasing and Materials Management Division (PMMD)

On a case-by-case basis, where TAF determines there would be value (including for specialized procurement expertise, promoting procurements and sourcing bids, and complex procurement practices), TAF may request and PMMD will consider providing reasonable and relevant support in undertaking a competitive procurement.

7.3 Non-Competitive Procurements

7.3.1 Approval thresholds and authorities. The following table defines the approval authority for non-competitive procurements.

Dollar Value	Approval Authority
Greater than \$12,000 but less than \$35,000	Director, Finance
Greater than or equal to \$35,000 but less than \$121,200	CEO
Greater than or equal to \$121,200 but less than \$500,000	CEO and Officer of the Board
\$500,000 or greater	Board

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7.3.2 Non-competitive procurement processes and conditions are defined as follows:

7.3.2.1 Sole sourcing

Sole sourcing means the use of a non-competitive procurement process to acquire services or goods where there is only one available supplier for service or goods.

Sole sourcing is permitted should one or more of the following conditions be met:

- 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 representative;
- Where there is an absence of competition for technical reasons and the goods and services can be supplied only by a particular supplier and no alternative or substitute exists;
- Where there is a requirement to fulfill the short-term need(s) of the required goods and/or services, a bridging contract may be used with the existing supplier.
- For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly;
- For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor or their designate;
- For work to be performed on property by a contractor according to provisions of a warranty restriction on maintenance of related goods and services or guarantee held in respect of the property or the original work;
- For a contract to be awarded to the winner of a design contest;
- For the procurement of a prototype of a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases;
- For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership;
- For the procurement of original works of art; and
- For the procurement of real property.

7.3.2.2 Single Sourcing

Single Sourcing means the use of a non-competitive procurement process to acquire services or goods from a specific supplier even though there may be more than one supplier capable of delivering the same services or goods.

Single sourcing is permitted should one or more of the following conditions be met:

- Where an unforeseeable situation of urgency exists and the goods or services cannot be obtained in time by means of open procurement procedures. Failure

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to plan and allow sufficient time for a competitive procurement process does not constitute an unforeseeable situation of urgency;

- Where goods or services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open tendering process could reasonably be expected to compromise confidentiality, cause organizational disruption or otherwise be contrary to the public interest;
- Additional deliveries by an original supplier of goods or services that were not included in the original procurement, but a change cannot be made for economic or technical reasons without causing significant inconvenience or substantial duplication of costs for TAF;
- Where a contract is to be awarded under a cooperation agreement that is financed, in whole or in part, by another organization, only to the extent that the agreement between TAF and the organization includes rules for awarding contracts that differ from the obligations set out in this Policy;
- Where the goods and/or services relate directly to buildings or equipment owned by a third party and that third party has directed TAF in writing to use a specific vendor;
- For the purchase of goods on a commodity market;
- Where compliance with the open tendering provisions set out in this Policy would interfere with TAF's ability to maintain security or order or to protect human, animal and or plant life or health; and
- In the absence of a receipt of any bids in response to a call for proposals or tenders made in accordance with this Policy.

8 EXCEPTIONS TO THIS POLICY

The following are not subject to this Policy:

- 8.1 Partnership Agreements where parties such as Federal, Provincial or Municipal governments, Agencies, Boards, Commissions, Authorities work collaboratively to achieve a mutual goal and may or may not involve exchange-of-funds for expenses related to the collaborative.
- 8.2 Expenditures for training and education including:
 - TAF hosted meetings and conferences, including accommodation, meeting rooms, set-up, and catering.
 - Conferences, conventions, courses, workshops and seminars.
 - Magazines, books and periodicals.
 - Memberships in professional and vocational associations.
 - Training fees.
- 8.3 Refundable expenses including travel, meals, accommodation, and any related expenses.

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- 8.4 General expenses including:
- 8.4.1 Credit rating agencies.
 - 8.4.2 Licenses (e.g., vehicle, elevator, radio, etc.), certificates and other approvals required.
 - 8.4.3 Postage.
 - 8.4.4 Professional association fees.
 - 8.4.5 Utility charges including telephone, cable television, electricity, gas, water.
- 8.5 Professional and specific expenses including:
- 8.5.1 Accommodations and honoraria provided to individuals, cooperatives, corporations, and governments under Board approved Programs.
 - 8.5.2 Insurance coverage when purchased through TAF's insurance broker of record.
 - 8.5.3 Provision of Employee and Member Assistance Program(s).
 - 8.5.4 Fees and services including but not limited to witness fees, arbitrators, mediators, court reporters, investigators and other like services.
 - 8.5.5 Payments required to be paid by TAF under statutory authority.
- 8.6 Other exceptions to this Policy may be made in extenuating circumstances upon approval of the CEO and will be reported to the Board.

9 POLICY REVIEW AND REVISIONS

- 9.1 TAF shall review this Policy at least every two (2) years to ensure that it remains aligned with all requirements and best practices and is meeting business needs and goals.
- 9.2 Dollar values for procurement methods and approval thresholds included in this Policy may be adjusted annually for inflation using the Bank of Canada's Consumer Price Index (CPI) Inflation Calculator.

10 RELATED DOCUMENTS

- 10.1 [TAF Approval Authority Schedule](#)
- 10.2 [TAF Policy: Conflict of Interest and Confidentiality](#)
- 10.3 [Code of Conduct for Members of Local Boards \(Restricted Definition\) City of Toronto](#)
- 10.4 [TAF Policy: Disclosure of Wrongdoing Reprisal Protection](#)

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