



CAO PROCUREMENT POLICY

(Approved by the CAO Board of Directors on January 24, 2018)

1.0 Purpose

This Policy supports the Condominium Authority of Ontario's (CAO) acquisition of goods and services to meet its need in the most economical, fair and efficient manner.

2.0 Definitions

(a) "CAO" means the Condominium Authority of Ontario and the Tribunal.

(b) "Board" means the Board of Directors of the CAO.

3.0 Background

The CAO is an organization that focuses on consumer protection and supporting healthy condo communities across Ontario. The CAO provides information, training, dispute resolution, and other services to help improve condominium living.

As a new administrative authority, the CAO requires the procurement of a number of goods and services to meet its needs.

The CAO is committed to procurement processes that are fair, open, transparent, consistent, geographically neutral, and accessible

This Policy also applies to all CAO personnel involved in the purchase and acquisition of goods and services.

4.0 Important Information

4.1 Principles

(a) Access for qualified vendors to compete for business shall be open. The procurement process shall be conducted in a fair and transparent manner, providing equal treatment to vendors. Access shall be geographically neutral with respect to other jurisdictions that practice reciprocal non-discrimination in Ontario.

- (b) The procurement of goods and services shall be responsibly and effectively managed through appropriate organizational structures, systems, policies, processes, and procedures.
- (c) Conflict of interest, both real and perceived, shall be avoided during the procurement process and ensuing contract. Any real or perceived conflict of interest shall be declared prior to engaging in any procurement activity to the Chair of the Board. Relationships that create a perpetual reliance on a particular vendor for any particular kind of work should be avoided, or, if necessary reviewed on a regular basis.
- (d) Goods and services shall be procured only after consideration of business requirements, alternatives, timing, and adherence to all documented procurement methods.

4.2 Accountability Framework:

- (a) All procurement transactions will be supported by appropriate methods and approvals.
- (b) Each procurement transaction will be conducted pursuant to the mandatory process. All required documentation will be developed and maintained for verification and audit purposes.
- (c) Approvals and processes are based on total procurement values (excluding taxes). Disaggregating (breaking out) a procurement or transaction to reduce or alter values or approvals is prohibited.

5.0 Mandatory Requirements

Each procurement transaction must be conducted and documented pursuant to the following process:

(a) Planning:

This is an integral part of the procurement and sufficient time must be provided to develop a Business Case which:

- i) Describes the type of goods and services to be procured, and any possible alternatives;
- ii) Justifies the need for the good or service;
- iii) Estimates the total procurement value (including taxes); and

- iv) Identifies the appropriate procurement methodology and approval authority based on the type of service being procured and the value (see Appendix A).

The Business Case will be reviewed and approved by the person with the authority required to approve the procurement and this will be communicated to the Board.

(b) Procurement Document:

Template document (i.e., Request for Proposal) to be prepared and used to procure the goods and services is developed. At minimum this document will include:

- i) A description of the needed goods or services in functional terms specific to the business needs that the good or service will serve;
- ii) The name, email and location of the person to contact for additional information on the procurement documents;
- iii) The email address, date and time limit for submitting a written proposal which responds to the documented procurement requirements; and
- iv) Detailed information about the evaluation process that will be used to assess the written proposal (i.e., mandatory requirements, rated requirements, price / cost).

(d) Submission:

Bid response times must be provided to allow vendors sufficient time to prepare and submit bid responses. At minimum, fifteen (15) calendar days should be provided.

Any additional information, clarification or modification of the procurement document will be provided via an amendment or addendum to all bidders, and will be released in sufficient time prior to the submission deadline to allow bidders sufficient time to submit a responsive bid. The submission deadline may be extended to ensure sufficient time is provided to bidders.

(e) Evaluation:

Evaluation of bid responses must be consistent and in accordance with documented evaluation criteria, rating and methodology as detailed in the Procurement Document.

The evaluation process should be comprised of three components: mandatory requirements, rated requirements and price / cost. The evaluation of price / cost should be undertaken after the completion of the evaluation of the mandatory requirements and any other rated criteria.

Price / cost is an important factor, but quality, quantity, delivery, servicing, experience, and any other criteria directly related to the procurement and stated in the Procurement Document's evaluation section must also be taken into account when evaluation the submission.

In responding to procurement documents, vendors may sometimes propose alternative strategies or solutions to the business needs or apply conditions to their responses. Unless expressly requested in the procurement documents, alternative strategies or solutions proposed by a vendor must not be considered.

If so requested, the process used to assess submissions will be disclosed to vendors, and any bid dispute will be managed in a fair, transparent and consistent manner.

(f) Commitment:

Following the evaluation process, the highest ranked submission should be selected, and the agreement, order, or contract which will commit the CAO should be signed by the individual with the authority to approve the procurement. Results of the procurement will be presented to the Board.

6.0 Review of this Policy

This Policy will be reviewed at regular intervals, and no less than once every three (3) years, by the CAO's senior management and Board of Directors to ensure that it continues to effectively serve its intended purpose.

Appendix A: Mandatory Procurement Processes and Required Approvals

The method used to procure goods and services depends on the type of service being procured, and the value of the procurement:

- (a) **Invitational Competitive Procurement:** A method of inviting at least (3) vendors to respond electronically to a request for supply of goods and services based on stated delivery requirements, performance specifications, terms and conditions.
- (b) **Non-competitive Procurement:** A method which **can be used to procure goods and services** in situations where there is only one available source¹, an unforeseeable urgent situation, or for matters where the disclosure could reasonably be expected to compromise confidentiality or public security / order, or cause economic disruptions. This method is also acceptable when there is an absence of bids in response to a competitive procurement process conducted in accordance with this policy. The rationale for the use of this method and the steps that will be taken to avoid any further non-competitive transactions must be justified in the Business Case.
- (c) **Open Competitive Procurement:** A method of inviting vendors registered on a platform (e.g. Biddingo) to respond to posted procurement documents for the supply of goods and services based on stated delivery requirements, performance specifications and terms and conditions.

Consulting Services

Value (including taxes)	Procurement Method	Approval*
\$0 up to but not including \$50,000	Invitational, Open	Chief Executive Officer / Registrar
\$50,000 and more	Invitational, Open	CAO Board of Directors
\$100,000 and more	Open	CAO Board of Directors

Non-consulting Goods and Services

Value (including taxes)	Procurement Methods	Approval*
\$0 up to but not including \$10,000	Invitational, Open or Non-Competitive	Financial Controller
\$10,000 up to but not including \$100,000	Invitational, Open or Non-Competitive	Chief Executive Officer / Registrar
\$100,000 and more	Open or Non-Competitive	CAO Board of Directors

¹ Ensures compatibility with existing products procured in accordance with this policy; for specialized products where there are exclusive rights (licenses / patents / copyright); or when the supply is controlled by a statutory monopoly.