

Policy Title	Policy Number
Procurement Policy	FI05
Issuing Department	Last Revision
Finance	May 16, 2025

Procurement Policy

1.0 Purpose

To establish the framework for the purchase of goods and services, by and for ESA, and to ensure that procurement and purchase of goods and services is conducted in a fair and equitable manner to receive the best value for money. This framework is guided by leading practices and the spirit of the most recent Ontario Public Service Procurement Directive, issued by the Management Board of Cabinet.

2.0 Scope

- 2.1 This Policy and any Associated Policies and Procedures are mandatory and apply in their entirety to all ESA employees, and anyone with the authority to act on behalf of ESA.
- 2.2 This Policy applies to all procurement and purchases except those where outside legal services are required which must be referred to ESA's General Counsel.
- 2.3 **Exceptions**
The President and Chief Executive Officer (CEO) and/or the Chief Financial Officer (CFO) may, in writing, exempt the Rules/Mandatory Requirements in this Policy subject to the limits of the Policy for Delegation & Exercise of Authority (with Organizational Authority Register - OAR), provided that these actions do not violate the Principles of this Policy and are done to address urgent business needs and/or are part of business contingency plans.

3.0 Objective

The objectives of this Policy are to:

- 3.1 Establish a corporate framework for procurement at ESA;
- 3.2 Provide clear direction, authorities, and accountabilities for all procurement activities at ESA; and
- 3.3 Ensure a cost control culture so that ESA receives value for money, by obtaining goods and services through open, fair, transparent, and accessible practices with attention to authorized budgets.

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4.0 Policy Content

4.1 Principles

Purchases shall be made according to the following principles:

Planning: Goods and services must be acquired only after appropriate consideration of ESA's needs, available alternatives, timing and budgetary considerations.

Vendor Selection: The process by which vendors compete for ESA's business shall be open, fair, transparent and accessible.

Value for Money: Quality goods and services shall be acquired to achieve the best value for money.

Accountability: The procurement of goods and services must be responsibly and effectively managed through ESA's Procurement Policy, Procedures and other Associated Policies and Procedures.

4.2 Rules/Mandatory Requirements

4.2.1 Procurement Planning

Departments must undertake procurement planning for all goods and services as an integral step of the procurement process and must refer to the Procurement Procedures for detailed requirements that apply.

4.2.2 Procurement of Consulting Services

Additional requirements related to the procurement of consulting services that are set out in the Procurement Procedures and other Associated Policies and Procedures shall apply.

4.2.3 Total Procurement Value

To initiate a procurement process, a Total Procurement Value shall be calculated in accordance with Procurement Procedures. This will be used to establish a Procurement Method and the delegated approval authority in accordance with the Policy for Delegation & Exercise of Authority (with Organizational Authority Register - OAR).

4.2.4 Vendor Selection

Vendor selection for procurements shall adhere to the requirements set out in the Procurement Policy and Procedures, and any Associated Policies and Procedures.

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4.2.5 Procurement Methods

The Procurement Methods that will be used, subject to the threshold limits, authorizations and approvals defined in the Procurement Procedures, and any Associated Policies and Procedures are as follows:

- (1) **Non-Competitive:** Acquisition of goods or non-professional services through an informal process, or where practical, by selecting one vendor from the Vendor of Record list.
- (2) **Invitational Competitive:** Acquisition of goods or services by soliciting at least three (3) vendors for quotes/proposals based on stated delivery requirements, performance specifications and terms and conditions.
- (3) **Open Competitive:** Acquisition of goods or services by soliciting a procurement document on a publicly accessible electronic bidding platform based on stated delivery requirements, performance specifications and terms and conditions.
- (4) **Sole Source Procurement:** A sole source procurement is an exception to a competitive procurement method, where only one vendor is selected without any competition, and must be approved as specified in the Procurement Procedures. Sole sourcing justifications are required for the total value of procurement as specified in the Procurement Procedures, and any Associated Policies and Procedures.

The selection of a vendor for a sole source procurement must be justified based on one or more of the following reasons:

- a) No responses received from vendors through the competitive procurement method;
- b) No vendors met the conditions for participation of a competitive procurement method;
- c) Goods or services can only be provided by one vendor (to protect patents, copyrights, or due to an absence of alternatives for technical reasons);
- d) If changing to a new vendor cannot be made for economical and/or technical reasons and would result in a substantial duplication of effort/cost;
- e) Urgency brought by unforeseeable events;
- f) Confidential or privileged nature; or
- g) To ensure compatibility with existing goods or existing goods that must be maintained by the vendor.

A sole source procurement must be approved in accordance with the Procurement Procedures, and any Associated Policies and Procedures.

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4.2.6 Term of Contract Modifications

Extending the term of contract shall be considered a sole source procurement and Section 4.2.5 (subsection 1.4) shall apply.

4.2.7 Supply Source

When considering supply sources to acquire a good or service, ESA shall consider utilizing its own Vendor of Record (VOR) to select a vendor; or use a Group Purchasing Organization (GPO) VOR listing, provided that these actions are conducted in accordance with this Policy and Procurement Procedures.

4.2.8 Segregation of Duties

All procurement shall have a segregation of duties for the following functional procurement roles: Requisitioning, Commitment, Receipt and Payment. Responsibilities for these roles shall lie with different departments, or at a minimum with different individuals.

4.2.9 Procurement Approvals

All non-budgeted and budgeted procurement must be approved in accordance with the Policy for Delegation & Exercise of Authority (with Organizational Authority Register).

4.2.10 Procurement Record Retention

All procurement records must be retained in accordance with ESA Records Management Policy.

4.2.11 Conflict of Interest and Confidentiality

- (1) ESA employees and anyone with the authority to act on behalf of the ESA involved in procurement activities must act with integrity and professionalism in accordance with the requirements set out in ESA's Code of Conduct.
- (2) Where conflicts of interest, both real and perceived, exist during the procurement process and the ensuing Contract, ESA employees and anyone with the authority to act on behalf of the ESA shall refer to Procurement Procedures, the Code of Conduct and other Associated Policies and Procedures for guidance.
- (3) All ESA employees and anyone with the authority to act on behalf of the ESA involved in a procurement evaluation must safeguard confidential information, and be aware of, and abide by, any restrictions related to confidential information shared through this process.

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4.2.12 Contracts and Partnerships

Contracts Generally

In addition to any other approvals that are required in the circumstances, contracts must be reviewed by ESA's legal department in accordance with the Policy for Delegation & Exercise of Authority (with Organizational Authority Register - OAR) or as otherwise provided in associated legal policies and procedures prior to execution of the contract.

The responsible department must put a written plan in place to manage all contract risks, monitor the contract, and ensure that any significant risks are reported in writing to the responsible Vice President and/or the President and CEO.

All executed contracts and associated procurement documentation shall be retained in accordance with Procurement Procedures.

Partnerships

The ESA shall not enter any partnership agreements that may compromise the mandate of the ESA. In addition to any other approvals that are required in the circumstances, all partnership agreements must be reviewed and approved by ESA's legal department in accordance with the associated legal policies and procedures prior to execution of the agreement. All business partnerships must be pre-approved by the Board before an agreement is executed.

The official ESA representative(s) to the partnership shall monitor the partnership, manage the risk to the ESA, and report significant risks to the Senior Management and Executive Management teams in writing as soon as they are observed.

4.3 Accountabilities

4.3.1 The Chief Financial Officer has overall accountability for this Policy.

4.3.2 All ESA employees and anyone with the authority to act on behalf of the ESA, are required to comply with this Policy and all Associated Policies and Procedures.

4.3.3 **Non-compliance** with this Policy could lead to disciplinary action up to and including termination of employment from the ESA.

5.0 Legislative Authority

Not Applicable

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6.0 Evaluation, Monitoring and Review

The CFO is responsible for administering and amending this Policy, monitoring and reporting on compliance with this Policy and associated Policies and Procedures and Guidelines and will review this Policy annually to ensure it remains current and effective in meeting its purpose and objectives.

7.0 Interpretation

For purposes of this Policy, unless otherwise stated, the following definitions shall apply:

Term	Definition
Approval Authority	The authority delegated by the Board to a position to approve on its behalf one or more procurement functions up to a specified dollar limit and subject to applicable legislation, regulations, policies and procedures.
Procurement	Acquisitions by any means, including, but not limited to by purchase, rental, lease or conditional sale of goods or services.
Total Procurement Value	All aggregated Costs and Conferred Value associated with a contractual relationship with a third party, taking into account optional contract extensions. Where a project involves multiple related Procurements, the project's procurement value would be determined by the cumulative value of each related procurement.
Conferred Value	This includes, but is not limited to, the exchange of goods and/or services in return for other goods and/or services, revenue generating opportunities and partnership agreements.
Group Purchasing Organization	An entity that helps realize savings and efficiencies by aggregating purchasing volumes to negotiate discounts with manufacturers, distributors and other vendors. Examples include, but are not limited to, the Ontario Government and the Ontario Education Collaborative Marketplace.
Vendor of Record	A vendor, who has been selected through a competitive vendor selection process to offer products or services to an organization.

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8.0 Associated Policies and Procedures

- 1) Delegation and Exercise of Authority – with Organizational Authority Register (OAR) Policy – FI02
- 2) Access and Privacy Code – LE01
- 3) Accounts Payable and Purchase Orders Procedure – FI05.FIN.PR.01
- 4) Business Expenses Procedure – FI05.FIN.PR.02
- 5) Appendices to Business Expenses Procedure – FI05.FIN.PR.09
- 6) Procurement Procedure – FI05.FIN.PR.04
- 7) Travel, Meals, Hospitality and Related Business Expenses Guideline – FI05.FIN.IG.10
- 8) Procedure for Reporting Taxable Benefit Expenses – FI05.FIN.PR.03
- 9) Technology Acceptable Usage Policy – IT02

9.0 Associated References

- 1) ESA's Code of Conduct – PC02
- 2) Ontario Public Service Procurement Directive (effective April 1, 2024)
- 3) ESA Administrative Agreement, 2022 – RE01