

Policy Title	Policy Number	Date Created
PROCUREMENT POLICY	FIN.P.1.4	April 2014
Issuing Department	Version	Applicability
Finance	2.1	All ESA Employees
Author	Owner	Last Revision Date
Yolanda Palao, Manager Financial Services	Vice President, Finance & Chief Financial Officer	March 5, 2020

## Procurement Policy

### Version History

Version	Author	Key Changes
1.0	Wayne Howard, Vice President Finance & CFO Yolanda Palao, Senior Financial Services & Budget Analyst	Policy Development
2.0	Kevin Greer, Director of Finance Yolanda Palao, Senior Financial Service & Budget Analyst	Policy Revision
2.1	Yolanda Palao Manager, Financial Services	<ul style="list-style-type: none"> <li>a.) Owner Title Change throughout the document</li> <li>b.) Remove Names from header section</li> </ul> <p>Approved by Kevin Greer, VP Finance and Chief Financial Officer – February 3, 2020</p>

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## 1.0 Purpose

To ensure that ESA receives the best value for the goods and services required for its operations and that these goods and services are purchased through open, fair, transparent, accessible, clear, and consistent procurement practices.

## 2.0 Scope

2.1 This policy and its associated policies and procedures, including but not limited to, the Operational Policies and Procedures on procurement and business expenses, 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 must be applied to all procurements except those related to the retention of outside legal services which must be referred to ESA's General Counsel.

### 2.3 Exception

1. The President and CEO and/or the Vice President, Finance & CFO may direct exemptions from the requirements of sections 4.02.02, 4.02.03, 4.02.04, 4.02.05, and/or 4.02.07 subject to the limits of the Organizational Authority Register (OAR), provided that such actions do not violate the Principles of this policy and are done to address urgent business needs and/or part of business contingency plans.

2. Any other exemption to waive the mandatory requirements of this policy and associated Operational policies and procedures on procurement and business expenses must be documented and pre-approved by the Board and/or CEO in writing **in accordance with the OAR policy**.

## 3.0 Objective

The objectives of this policy are to:

1. provide clear direction, authorities, and accountabilities so that all goods and services are acquired in accordance with approved procurement processes;
2. establish a cost control culture so that all goods and services are acquired with attention to authorized budgets; and
3. ensure that the ESA receives value for money, by obtaining goods and services through a fair, transparent, and competitive procurement process involving reputable suppliers.

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## 4.0 Policy Content

### 4.01 Principles

Goods and services shall be acquired according to the following principles:

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

**Vendor Access, Transparency, and Fairness:** The process by which suppliers compete for ESA's business shall be equal, fair and transparent.

**Value for Money:** Quality goods and services shall be acquired competitively from qualified suppliers to meet specified needs and to achieve the best value for money.

**Accountable and Responsible Management:** The procurement of goods and services must be responsibly and effectively managed through ESA's organizational structures, systems, policies, processes, and procedures.

### 4.02 Rules/Mandatory Requirements

#### 4.02.01 Conflict of Interest and Confidentiality

1. ESA employees 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 should refer to Operational Policies and Procedures on procurement and business expenses and other related policies for guidance.
3. All ESA employees 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.

#### 4.02.02 Procurement Planning

Departments must undertake procurement planning as an integral step of the procurement process, and should refer to the established annual planning process.

#### 4.02.03 Procurement of Consulting Services/Professional Services

Where consulting or professional services are required in connection with ESA's responsibilities, any additional requirements related to procurement of consulting and/or professional services that are set out in the Operational Policies and Procedures on procurement and business expenses shall be followed.

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#### **4.02.04 Procurement Amount**

The procurement amount shall be calculated in accordance with the Operational Policies and Procedures on procurement and business expenses then used to establish the proper approval authority.

#### **4.02.05 Vendor Selection**

All procurements must follow the requirements set out in the Operational Policies and Procedures on procurement and business expenses for vendor selection.

The ESA may establish a Vendor of Record (VOR) for a particular good and/or service at any time, provided that such actions are conducted in accordance with this policy and associated policies, procedures, and guidelines.

#### **4.02.06 Procurement Approvals**

All non-budgeted and budgeted procurements shall be approved in accordance with ESA's Organizational Authority Register ("OAR").

#### **4.02.07 Procurement Methods and Documentary Requirements**

The Operational Policies and Procedures on procurement and business expenses set out the Procurement Methods and the required documents that must be used for procurements.

#### **4.02.08 Contracts and Partnerships**

Contracts Generally:

In addition to any other approvals that are required in the circumstances, all contracts must be reviewed and approved by ESA's legal department in accordance with the associated legal policies and procedures prior to execution of the contract.

The responsible Department must put a written strategy 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 Chief Executive Officer.

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 Board and the Executive team in writing.

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#### 4.03 Accountabilities

The Vice President, Finance & CFO has overall accountability for this policy.

Each Vice President is accountable for ensuring that employees in his/her department comply with this procurement policy, the Operational Policies and Procedures on procurement and business expenses and the OAR.

All ESA employees are required to comply with the provisions of this Procurement Policy and all associated policies and procedures.

### 5.0 Legislative Authority

Not Applicable

### 6.0 Evaluation, Monitoring and Review

The Vice President, Finance & CFO is responsible for administering this policy; monitoring and reporting on compliance with this policy and associated policies and procedures; and amending; and will regularly review this policy to ensure it remains current and effective in meeting its purpose and objectives.

**Non-compliance** with this Policy and associated Operational Policies and Procedures on Procurement and Business Expenses could lead to disciplinary action up to and including termination of employment from the Electrical Safety Authority.

### 7.0 Interpretation

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

#### **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.

#### **OAR**

Organizational Authority Register

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### **Procurement**

Acquisitions by any means, including, but not limited to by purchase, rental, lease or conditional sale of goods or services.

### **Procurement Amount**

All Costs and Conferred Value associated with a contractual relationship with a third party. 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.

## **8.0 Associated Policies and Procedures**

- 1.) Policy for Delegation and Exercise of Authority
- 2.) Organizational Authority Register (OAR)
- 3.) Procedure for Legal Review of Contracts
- 4.) Privacy Policy and Procedures
- 5.) Accounts Payable and Purchase Order Procedure
- 6.) Corporate Procurement Card Procedure
- 7.) Expense Reporting (Out of Pocket) Procedure
- 8.) Procedure for Employees Seeking to be Reimbursed for Professional Fees
- 9.) Acceptable Use of Information Technology Procedure

## **9.0 Associated References**

- 1.) ESA's Code of Conduct
- 2.) Ontario Public Service Procurement Directive