

BRIEFING REPORT

REPORT TOPIC: Vendor Relations and Procurement Management Policy (2-08)

REPORT TO: COO Council

REPORT FROM: COO Governance Committee

DATE: October 1, 2018

REPORT PURPOSE:

☒ **Policy Development/Enhancement/Regular Review/Approval**

☐ Ends Policy

☒ **Operational Boundaries Policy**

☐ Council-Staff Relationship Policy

☐ Governance Process Policy

☐ Council Implementation of Policy

☐ Council-Staff Relationship Policy

☐ Governance Process

☐ Monitoring Report

☐ Ends

☐ Operational Boundaries

☐ Ownership Linkage Report

☐ Incidental Report

☐ Registrar, CEO

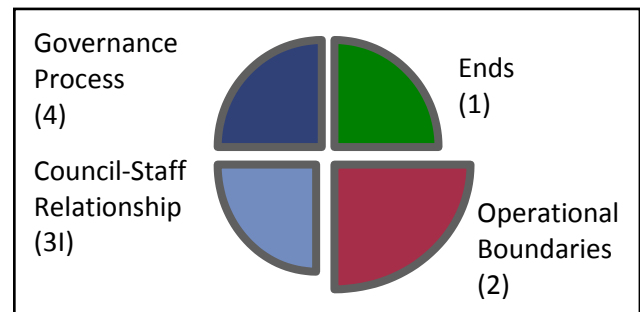
☐ Council President

☐ Other: Briefing Report

BACKGROUND

The policy topic Vendor Relations and Procurement Management (EL II-08) falls under the second policy quadrant, i.e. the Operational Boundaries quadrant.

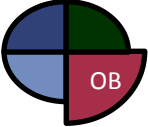
This policy outlines the governance of risk operational boundaries related to Council's values of ethics and prudence for the relationship and interaction with COO vendors. It is based on ensuring a floor of fair treatment, confidentiality, and avoidance of any conflict of interest with vendors.



The COO Council does not currently have a governance or risk policy related to Vendor Relations and Procurement Management.

RECOMMENDED MOTION

That, based on the Governance Committee's recommendation, the COO Council moves to approve the draft of the new Vendor Relations and Procurement Management Policy (OB 2-08).

POLICY TITLE: VENDOR RELATIONS AND PROCUREMENT MANAGEMENT	POLICY SECTION: OPERATIONAL BOUNDARIES	POLICY NO: 2-08	
APPROVED BY: COUNCIL	REGULAR COUNCIL POLICY REVIEW FREQUENCY: EVERY 4 YEARS	MONITORING OF REGISTRAR, CEO FREQUENCY: EVERY 2 YEARS	MONITORING METHOD: INTERNAL REPORT
DATE APPROVED: <ul style="list-style-type: none"> • Worked on by Governance Committee in June 2018 • Ready for Council in October 2018 	PRESIDENT'S SIGNATURE:		
DATE REVIEWED / REVISED:			

Policy Purpose:

The purpose of this policy is to outline the Council's expectations of the Registrar, CEO regarding fair and ethical relationships with vendors and the principles and risk boundaries related to the procurement process.

With respect to interactions with vendors, those applying to be vendors and the procurement process, the Registrar, CEO shall not cause or allow conditions, procedures, or decisions which are unfair, biased, unclear, unnecessarily intrusive or which fail to provide appropriate confidentiality for COO and vendors.

Further, the Registrar, CEO shall not operate without:

1. Ensuring a standardized framework and process for procurement of goods and services that clearly outline the purpose, the required criteria for quality and price, and the criteria for selection of a vendor.
 - a) For purchases between \$25,000 and \$49,999, the Registrar, CEO will not operate without seeking at least three quotes where competitors are available, and
 - b) For purchases \$50,000 and over, the Registrar, CEO will not operate without using a Request for Proposal process.

(Note: Once a Request for Proposal process has been undertaken, subsequent related follow-up contracts can be negotiated by the Registrar, CEO as needed and consistent with all Council policies. E.g. legal services, accounting services, consultants, etc.)

2. Ensuring proper protection against conflict of interest in the purchase process.
 - a) Ensuring that policies are in place that prohibit inappropriate considerations from vendors.
Note: Token expenses, etc. are appropriate as needed to conduct necessary business.
3. Ensuring all supply/service contracts are reviewed periodically.

4. Avoiding harm to the prospective vendors submitting quotes and/or proposals by ensuring that:
 - a) Confidential information regarding vendor quotes, competitive knowledge and proprietary products/services/approaches is not shared with any other vendors, and
 - b) Any Requests for Proposal only elicits information from the vendor required for the purpose of the specific proposal.
5. Employing prudent measures for the assessment of capital asset acquisition decisions (lease or purchase) ensuring an adequate balance between cost and benefit is achieved.
6. Providing payment to vendors in accordance with contractual obligations.

Definitions

For the purposes of this policy:

Quotation will refer to requesting a written quote for the purchase of goods or services.

Requests for Proposal will refer to a written document provided by the COO to prospective vendors invited to submit a proposal to supply a good or service to the COO. The written document will include a description of the COO's requirements and the criteria that will be used to evaluate proposals.