

Procurement (Corporate)

1.0 Purpose and Objectives

Perennia Food & Agriculture Inc. is committed to

- Providing for the procurement of goods, services, construction and facilities in a fair, open, consistent, and transparent manner resulting in best value
- Encouraging competition, innovative ideas and solutions, while respecting all Legislative and Trade Agreement obligations
- Promoting sustainable procurement in procurement decisions, including identifying and exploring opportunities to work with and support social enterprises and businesses that are owned by and who employ under-represented populations
- Ensuring that qualified suppliers have equal opportunity to bid on the Perennia's procurement activity
- Being accountable for procurement decisions.

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2.0 Definitions

For the purposes of this policy, the following definitions are provided:

Best Value

Evaluating bids not only on purchase price and life cycle cost considerations, but also taking into account items such as environmental and social considerations, delivery, servicing, and the capacity of the supplier to meet other criteria as stated in the tender documents.

Bid

A supplier response to a public tender notice to provide goods, services, construction or facilities.

Construction

The construction, reconstruction, demolition, repair, or renovation of a building, structure, road or other engineering or architectural work, excluding the professional consulting services related to the construction contract unless they are included in the procurement.

Construction Contract Guidelines

Standard instructions developed in consultation with the Construction Association of Nova Scotia that support construction tenders.

Goods

Materials, furniture, merchandise, equipment, stationery, and other supplies required by Perennia for the transaction of its business and affairs and includes services that are incidental to the provision of such supplies.

Facilities (also referred to as Building Leases)

All building lease requirements covering the conveyance of the right to use tangible building property for a specified period of time in return for rent.

Procurement Activity

The acquisition of all goods, services, construction, or facilities procured by purchase, contract, lease, or long-term rental.

Procurement Value

The value of the total contract excluding taxes but including all options whether exercised or not. For Facilities this value is determined by the monthly lease/rent times the term of the contract.

Procurement Web Portal

The website maintained by Perennia where all calls for proposals and tender notices are posted.

Public Advertisement

Advertising a call for proposals and tender notice on the procurement web portal.

Tender

Procurement for goods, services, construction, or facilities obtained through public advertisement. (See Section 10 for an outline of the various tools that can be used for public tender.)

Tender Notice

Notice of intended procurement for goods, services, construction, or facilities obtained through public advertisement.

Services

Services required by Perennia for the transaction of its business and affairs, excluding services provided by an employee through a personal services contract.

Standing Offer

A standing offer is a contractual arrangement with a supplier to provide certain goods or services on an 'as required' basis, during a particular period of time, at a predetermined price or discount, generally within a predefined dollar limit.

Sustainable Procurement

Sustainable Procurement involves taking a holistic approach to obtain best value. This will be done by integrating the following considerations in the procurement process:

- Environmental considerations: e.g. Green House Gas Reduction, Waste Reduction, Toxic Use Reduction
- Economic considerations: e.g. Life Cycle Cost, Fiscal Responsibility, Support for the Local Economy
- Social considerations: e.g. Employee Health and Safety, Inclusiveness and Fair Wage, Health Promotion.

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3.0 Application

This policy applies to all procurement activity of Perennia effective September 30, 2012.

The Chief Executive Officer is responsible for ensuring compliance with this policy.

All Perennia personnel who have responsibility for the procurement of goods, services, construction, or facilities must adhere to this policy. Failure to adhere may result in a temporary or permanent loss of procurement privileges or in more extreme cases result in disciplinary action and/or dismissal.

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4.0 Directives

4.1 Low Value Procurement

▪ Goods	Under \$500	
▪ Goods	between \$500 – \$3,000	
▪ Goods	between \$3,000 – 25,000	
▪ Services	under \$ 50,000	
▪ Facilities	up to and including\$ 50,000	
▪ Construction	up to and including	\$100,000

For all low value procurement activity with a procurement value as outlined above (excluding taxes), Perennia Administrative personnel are able to purchase goods up to and including \$500.00 (per single item) without the Signature of a Supervisor, between \$500.00 – \$3,000 the purchase must be signed off by a Supervisor and goods between \$3,000 – 10,000 as far as practicable, attempt to obtain at least three quotes for any purchases and award to the supplier offering best value. For the purchase of Services under \$50,000, Facilities up to and including \$50,000 and Construction up to and including \$100,000, attempt to obtain at least three quotes for any purchase of service and award to the supplier offering best value. The only exception to this would be when the Perennia personnel are using Alternative Procurement Practices as outlined in section 5.0 of this Policy, or is accessing a publicly tendered standing offer.

Each Team Leader must submit a Budget to be approved by the Perennia Board of Directors. Once the Budget has been approved it is the responsibility of the Team Leader to ensure that his/her Team stays within the Budget. To do so a monthly budget report will be sent out for perusal and the Team Leader will check to see that each individual is on track with their budget. If one specialist requires more of the Budget to purchase an item or go on Professional/Industry development, that will have to be taken out of the budget of another specialist on the same team. Each specialist is entitled to a Travel Credit Card with a limit of \$5,000 to be spent on travel only.

When selecting the list of suppliers to be provided the opportunity to quote, Perennia personnel will make every effort to ensure a fair and open process is followed. While Perennia personnel are expected to invite only qualified suppliers, they are not to consistently invite bids from only one or a select group of suppliers. Invitations and bidding opportunities are to be equitably distributed among all potential bidders in an area, and all interested and qualified suppliers are to be evaluated on a consistent and equitable basis. Where increased competition is appropriate, Perennia personnel may choose to publicly tender for goods, services, construction or facilities that fall within the above thresholds.

4.2 High Value Procurement:

▪ Goods	over	\$ 25,000
▪ Services	over	\$ 50,000
▪ Facilities	over	\$ 50,000
▪ Construction	over	\$100,000

All procurement activity with a procurement value over the thresholds (excluding taxes) outlined above must be obtained through a public tender. See Section 10 of this Policy for an outline of some of the various tools that can be used for public tender. The only exception to this would be when Perennia personnel are using an Alternative Procurement Practices as outlined in section 5.0 of this policy, or is accessing a publicly tendered standing offer. All public tender opportunities must be posted on the Perennia Web Portal. Perennia personnel may wish where appropriate to also advertise in local, provincial, or national media; however, there is no

obligation to do so. In addition, a notice of tender opportunity may be sent to selected suppliers where required to ensure an adequate degree of competition.

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5.0 Alternative Procurement Practices

In order to balance the need for open, competitive process with the demands of urgent or specialized circumstances, Alternative Procurement Circumstances have been developed. These circumstances must be used only for the purposes intended and not to avoid competition or used to discriminate against specific suppliers. To ensure appropriate use, each circumstance must be documented by Perennia personnel stating the rationale permitting the Alternative Procurement Circumstance, and signed by the CEO or Board of Directors. All documents must be filed and maintained for audit purposes. See subsections 5.1, 5.2, and 5.3 for a list of the Alternative Procurement circumstances, as well as further requirements on documentation.

5.1 Alternative Procurement Approval, Consultation, and Reporting Process

Low Value:

The CEO may delegate signing authority for low value alternative procurement transactions to the Manager of a given business area. No further approvals will be necessary. The Manager will ensure persons with delegated signing authority will be held accountable for their actions and that all procurement activities by Perennia personnel are properly documented and filed for follow up and audit. The Manager shall remain accountable for the proper use of alternative procurement transactions.

High Value:

Perennia personnel wishing to make use of a high value alternative procurement practice (with the exception of an emergency) must consult with the CEO to obtain his or her approval and identify the most appropriate means by which to proceed with the satisfaction of the requirement. If in agreement, the CEO may direct Perennia personnel to proceed with the procurement. The CEO may wish to confer with provincial government procurement officials for discussion, validation, and or alternative options.

The CEO may delegate signing authority for high value alternative procurement transactions to an Acting CEO in his or her absence. All appropriate documentation will be maintained on file for audit purposes. The CEO will ensure persons with delegated signing authority will be held accountable for their actions. The CEO shall remain accountable for the proper use of alternative procurement transactions.

5.2 Alternative Procurement Circumstances

No Threshold Restrictions

Perennia personnel may use the following Alternative Procurement practices as described below for the procurement of goods, services, construction or facilities, with no threshold restrictions:

1. Where an unforeseeable situation of urgency exists and the goods, services, or construction cannot be obtained in time by means of open procurement procedures. Entities must ensure inadequate planning does not lead to inappropriate use of this exemption.
2. Where goods or consulting 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 government confidentiality, cause economic disruption, or otherwise be contrary to the public interest.
3. Where compliance with the open tendering provisions set out in this Chapter would interfere with a Party's ability to maintain security or order, or to protect human, animal, or plant life or health.
4. In the absence of tenders in response to an open or selective tender, or when the tenders submitted have been collusive, or not in conformity with the essential requirements in the tender.

5. To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licenses, copyright, and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative.
6. Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists.
7. For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly.
8. For the purchase of goods on a commodity market.
9. For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor.
10. For work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work.
11. For the procurement of a prototype or 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.
12. For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases.
13. For the procurement of original works of art.
14. For the procurement of subscriptions to newspapers, magazines, or other periodicals.
15. For the procurement of real property.
16. For the procurement of goods intended for resale to the public.
17. For the procurement from philanthropic institutions, prison labour, persons with disabilities, sheltered workshop programs, or through employment equity programs.
18. For the procurement from a public body or a non-profit organization.
19. For the procurement of services of expert witnesses, specifically in anticipation of litigation or for the purpose of conducting litigation. Perennia personnel may use the following Alternative Procurement practices as described below, up to the high value thresholds of this Policy:
20. *5.3 Threshold Restrictions*
 1. For the procurement of goods or services for the purpose of evaluating or piloting new or innovative technology with demonstrated environmental, economic, or social benefits when compared to conventional technology, but not for any subsequent purchases.
 2. For procurement that fosters the development of minority businesses.

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6.0 Bid Opening, Evaluation, and Award

6.1 Bid Opening

Bids are accepted in accordance with the closing time, date, and place stipulated in the bid request documents. Members of the public may receive the list of bidders electronically after bid opening.

6.2 Bid Evaluation

All bids are subject to evaluation after opening and before award of contract. The bid request documents must clearly identify the requirements of the procurement, the evaluation method, evaluation criteria based on the purpose and objectives of this policy, and the weights assigned to each criterion.

6.3 Award

After contracts have been awarded, routine access to information at the vendors request shall be provided in the following areas:

- Bidders list
- Name of winning bidder
- Award price excluding taxes of the winning bidder

Access to tender documents or other proprietary information is subject to the provisions of the Freedom of Information and Protection of Privacy Act.

6.4 Supplier Debriefing

At the request of a supplier who submitted a bid, Perennia personnel will conduct a supplier debriefing session to provide feedback on the evaluation of the public tender. Suppliers can find out how their proposal scored against published criteria, obtain comments on their bid, and gather information on how future bids may be improved. Supplier's bids are not compared to other bids, nor will information on other bids be provided.

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7.0 Fair Treatment for Nova Scotia Suppliers

Based on the principle of best value for Perennia and when deemed to be in their best interest, Perennia personnel may apply a preference for goods valued up to and including \$25,000 that are manufactured or produced in Nova Scotia. The final decision to apply a preference to a Nova Scotia supplier shall be approved by CEO of Perennia.

A member of the Perennia Management Team may also choose to apply a Nova Scotia preference or restrict the receipt of quotations at or below the low value procurement thresholds to Nova Scotia Suppliers. Any decision made by Perennia personnel should be based on budget considerations, and shall be approved by the member of the Perennia Management Team.

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8.0 Other Considerations

8.1 Standing Offers

Perennia personnel may access all Province of Nova Scotia standing offers, as well as any standing offer established through the Procurement Advisory Group for the Province should Perennia personnel wish to make use of the savings opportunities. Standing offers can be used up to \$25,000 per project for goods, or \$100,000 per project for services. For consulting services, Perennia personnel should prepare a Statement of Work and obtain 3 quotes from vendors on the standing offer.

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9.0 Obligations under the Public Procurement Act

In addition to the areas already covered by this Policy, the following are additional obligations of the Public Procurement Act that the Perennia personnel are required to adhere to with their Procurement practices.

9.1 Terms and Conditions

Every public tender notice must include or have attached the terms and conditions that govern the purchase of goods, services, construction, or facilities. The terms and conditions of every public tender notice must be consistent with the Atlantic Standard Terms and Conditions for the procurement of goods, services, or facilities and the Construction Contract Guidelines developed in collaboration with the Construction Association of Nova Scotia for the procurement of construction.

9.2 Posting Tender Notices and Awards

All opportunities subject to tender must be advertised on the publicly.

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Section 10

Various tools available for use when issuing a public tender:

Request for Proposal (RFP)

Used when a supplier is invited to propose a solution to a problem, requirement, or objective. Suppliers are requested to submit detailed proposals (bids) in accordance with predefined evaluation criteria. The selection of the successful proposal is based on the effectiveness, value, and price of the proposed solution. Negotiations with suppliers may be required to finalize any aspect of the requirement.

Request for Construction (RFC)

Used to publicly tender for a construction, reconstruction, demolition, remediation, repair, or renovation of a building, structure, road, bridge, or other engineering or architectural work. When a supplier is invited to bid on a construction project the tender documents usually contain a set of terms and conditions and separate bid form that apply to that specific project. Suppliers are requested to submit a response (bid) in accordance with predefined criteria. The selection of the successful proposal is based on a number of factors as described in the tender documents. A request for construction usually does not include professional consulting services related to the construction contract, unless they are included in the specifications.

Request for Quotation (RFQ)

A request for quotation on goods or products with a minimum specification. Award is usually made based on the lowest price meeting the specification. An RFQ does not normally but may sometimes include evaluation criteria.

Request for Standing Offer (RSO)

A public tender to provide commonly used goods or services. The term of the standing offer can vary in duration but will be clearly defined in the tender documents. RSO's may include evaluation criteria depending on the requirement.

Request for Expression of Interest (REI)

The Request for the Expression of Interest is similar to the Request for Proposal and is sometimes referred to as a Pre-Qualification, where suppliers are invited to propose a solution to a problem. The REI, however, is only the first stage in the procurement process. Bidders responding to the REI will be short listed according to their scoring in the evaluation process. The short listed firms will then be invited to respond to a subsequent Request for Proposal. A REI does not normally include pricing as price is a key evaluation criteria used in the second stage RFP process.