

Broader Public Sector Expenses and Procurement Directives

Ministry of Finance and Ministry of Government Services
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- Questions are welcome. Please submit them via email throughout the presentation.
 - BPSSupplyChain@ontario.ca
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Agenda

1. BPS Accountability Act
2. BPS Expenses Directive
3. Introduction to BPS Procurement Directive
4. Responses to email Questions
5. Conclusion

Current Environment

- Fiscal pressures affecting both the government and broader public sector organizations
- Increased scrutiny regarding how public funds are spent
- The *Broader Public Sector Accountability Act, 2010* brings in new rules and higher accountability standards for the broader public sector, including:
 - Prohibition on using public funds to pay for consultant lobbyists
 - New directives setting out rules for procurement and expenses
 - Requirements specific to hospitals and Local Health Integrations Networks (LHINs), for example, reporting and publicly posting expense information

Directives: Application and Compliance

Application

- The directives apply to all designated BPS organizations under the Broader Public Sector Accountability Act, 2010 defined as follows:
 - every hospital
 - every school board
 - every university in Ontario and every college of applied arts and technology and post-secondary institution in Ontario whether or not affiliated with a university, the enrolments of which are counted for purposes of calculating annual operating grants and entitlements
 - every approved agency designated as a children's aid society under subsection 15 (2) of Part I of the Child and Family Services Act
 - every community care access corporation
 - every corporation controlled by one or more designated broader public sector organizations that exists solely or primarily for the purpose of purchasing goods or services for the designated broader public sector organization or organizations
- every publicly funded organization that received public funds of 10 million dollars or more in the previous fiscal year of the Government of Ontario

Compliance

- The Act requires all designated BPS organizations to implement the requirements under the directives.

Overview – BPS Expenses Directive - Purpose

- The BPS Expenses Directive improves accountability and transparency in the BPS by:
 - requiring designated BPS organizations to establish expense rules where expenses are reimbursed from public funds, and
 - setting out requirements for what needs to be included in each organization's expense rules.
- The requirements in the directive contribute to greater alignment with the high standards expected in ministries and agencies of the Government of Ontario.
- Designated BPS organizations must be in compliance by April 1, 2011, when the directive-making sections of the Act are proclaimed.

Overview – BPS Expenses Directive – Application

- The directive applies to any person in a designated BPS organization making an expense claim, including:
 - appointees,
 - board members,
 - elected officials (e.g. school trustees),
 - employees, and
 - consultants and contractors engaged by the organization providing consulting or other services.
- The directive serves as a guideline to all other publicly funded organizations as defined under the Broader Public Sector Accountability Act.

Overview – BPS Expenses Directive - Requirements

The directive sets out 8 requirements that must be included in the expense rules for an organization.

1. An accountability framework
2. Prohibition on reimbursement of meal and hospitality expenses for consultants and other contractors
3. Rules specific to serving alcohol
4. Rules for hospitality events where hospitality is defined as the provision of food, beverage, accommodation, transportation and other amenities paid out of public funds to people who are not engaged to work for:
 - designated BPS organizations (i.e. those covered by the directive), or
 - any of the Ontario government ministries, agencies and public entities covered by the OPS Travel, Meal and Hospitality Expenses Directive.
5. Good record keeping practices
6. Rules for individuals making claims (e.g. all appropriate approvals should be obtained before incurring the expense, original itemized receipts are required, etc.)
7. Rules for individuals approving claims (e.g. cannot approve their own claims, provide approval only for expenses incurred in the performance or organization business, etc.)
8. Posting the rules on the organization's public website

Overview – BPS Expenses Directive - Requirements

- Guidance on the development of expense rules is provided through an appendix.
- To promote alignment with rules for government ministries, the information in the appendix reflects the general requirements of the Ontario Public Service (OPS) Travel, Meal and Hospitality Expenses Directive.
- This alignment will serve to provide the public with a consistent expectation of behaviour not only across the OPS but also the BPS.

Overview – BPS Procurement Directive

- The BPS Procurement Directive will:
 - provide consistent procurement practices for BPS organizations
 - ensure that publicly funded goods and services are acquired by BPS organizations through a process that is open, fair, and transparent
 - ensure accountability through each stage of the procurement process
 - maximize the value that BPS organizations receive from the use of public funds
 - Effective management of contracts

BPS Procurement Directive – Requirements

Requirements:

- The Procurement Directive has the following requirements:
 - A Supply Chain Code of Ethics
 - Procurement Policies and Procedures (25 mandatory requirements)
- For BPS organizations receiving \$10M or more during the previous fiscal year of the government of Ontario, the BPS Procurement Directive will be effective on January 1st, 2012.

Implementation Support

- To support implementation of both the BPS Procurement and Expenses Directives, the Ministry of Finance website offers:
 - The directives in English and French, available in html and in pdf
 - FAQs on the directives
 - Registration for both information and training sessions
- To support implementation of the BPS Procurement Directive:
 - The *BPS Procurement Directive - Implementation Guidebook* is being developed
 - A BPS Procurement Directive toolkit and training materials (checklist, templates, process maps) will be provided
 - Training on the toolkit, targeted to your organizations, is being planned for fall 2011

See the Ministry of Finance website for more information.

www.fin.gov.on.ca/bpssupplychain



Questions

Appendices

Additional information

BPS Procurement Directive – Supply Chain Code of Ethics

Goal: An ethical, professional and accountable supply chain

Personal Integrity and Professionalism

- All broader public sector (BPS) supply chain participants must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all supply chain activities within and between BPS organizations, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. Participants must not accept gifts and favours, provide preferential treatment, publicly endorse suppliers or products or engage in any other activity that would create, or appear to create, a conflict of interest.

Accountability & Transparency

- Supply chain activities must be open and accountable. In particular, tendering, contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for public money. All participants must ensure that scarce public sector resources are used in a responsible, efficient and effective manner.

Compliance & Continuous Improvement

- All BPS supply chain participants must comply with this Code of Ethics and the laws of Canada and Ontario. Participants should continuously work to improve supply chain policies and procedures, to improve supply chain knowledge and skill levels, and to share leading practices.

BPS Procurement Directive – Purchasing Policies and Procedures: 25 Mandatory Requirements

Approval Authority Levels

1. Segregation of Duties
2. Approval Authority

Procurement Thresholds

3. Competitive Procurement Thresholds

Competitive Procurement

4. Information Gathering
5. Supplier Pre-Qualification

Purchasing

6. Posting Competitive Procurement Documents
7. Timeline for Posting Competitive Procurements

Evaluation

8. Bid Receipt
9. Evaluation Criteria
10. Evaluation Process Disclosure
11. Evaluation Team
12. Evaluation Matrix

13. Winning Bid

14. Non Discrimination

Contract Award

15. Executing the Contract
16. Establishing the Contract
17. Termination Clauses
18. Term of Agreement Modifications
19. Contract Award Notification
20. Vendor Debriefing

Non-Competitive Procurement

21. Non-Competitive Procurement

Procurement Documents and Records Retention

22. Contract Management
23. Procurement Records Retention

Conflict of Interest

24. Conflict of Interest

Dispute Resolution Process

25. Bid Dispute Resolution