

**Preamble**            **The Royal Ontario Museum (ROM) is publicly accountable for the manner in which it selects (or awards contracts to) providers of materials / goods and services. The following policy provides a guideline for the purchasing process.**

The Royal Ontario Museum (ROM) is a not for profit operational enterprise of the Government of Ontario, and as such its purchasing practices adhere to the Management Board of Cabinet guidelines. The purpose of the purchasing policy is to link supply strategy to corporate strategy by setting standards, roles and responsibilities for departments in order to establish consistent, fair and equitable purchasing practices. **All materials / goods and services, including consulting services and IT shall be acquired through a process that is fair, open, transparent, and accessible to qualified vendors.**

**Explanation  
of Terms**

**Materials / Goods and Services:** Materials / goods are tangible products that can be seen, touched and stored, such as computers, furniture, flooring and lighting fixtures. Services are intangible, do not have a physical presence, and cannot be stored, such as pest control, book editing and the provision of consulting services.

**Single Sourcing:** the process whereby a supplier is selected without making competitive sourcing enquiries.

**Competitive Process:** the process whereby written specifications are sent to several suppliers, a statement of price and terms/conditions is offered by the suppliers in writing, an evaluation of the supplier's proposal is completed based on predetermined criteria and, where applicable, the assessment is done by an evaluation committee.

**Consulting Services:** refers to the provision of expertise or strategic advice that is presented for consideration and decision-making. It is provided for a fee, on the basis of a defined assignment, and relating to management consulting, information technology consulting, technical consulting, research and development consulting, policy consulting and communication consulting. They do not include services in which the physical component of an activity would predominate, such as services for the operation and maintenance of a facility or plant, surveying, temporary help services, and training / education instructors. Consulting services do not include any licensed professional services provided by engineers, land surveyors, architects, chartered accountants, lawyers and notaries in their regulated capacities.

Maximum Value: refers to obtaining the needed materials /goods and services at the lowest total cost of ownership. Total cost of ownership necessitates consideration of other factors besides price, such as quality levels, **one-time costs such as site preparation, delivery, and installation and documentation,** warranty costs, inventory and spare parts requirements, down time, **and on-going operating costs including training, support and maintenance, taxes / duties, and any conferred value to the ROM such as the exchange of materials /goods and /or services, revenue generating opportunities and partnership agreements with non-profit organizations,** which in the long term might have greater cost impact on the organization than the original purchase price.

## Policy

In the acquisition of goods and services, the ROM will:

- Act in a clear, **transparent,** objective, equitable manner, consistent with public-sector practices, **allowing open, equal, and geographically neutral access to qualified vendors to compete for business.**
- Seek to obtain maximum value for each dollar disbursed.
- Recognize that all purchases should be made competitively, following normal sourcing procedures with a minimum of single sourcing.
- **A competitive process must be used for Consulting services. Consultants may not be single sourced, except for some allowable exceptions, such as unforeseen situations of urgency, or where a competitive process would compromise ROM confidentiality or security, or where only one Consultant is able to meet the requirements of the work.**
- **Single-sourcing must be clearly justifiable and approved by ROM management.**
- **Consultants may not be reimbursed for any hospitality, incidental or food expense.**
- Avoid any conflict of interest in the selection of suppliers and contractors, **and avoid the creation of relationships which result in the continuous reliance on a particular vendor for a particular kind of work.**
- Reject any business practice that is improper, **including subdivided or multiple consecutive contracts awarded to the same vendor.**

## BOARD POLICY

### *PURCHASING*

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The ROM's Purchasing department implements the controls and procedures necessary to ensure that expenditures for goods and services are handled in a publicly accountable manner, according to principles of sound business practice. These practices must be transparent and independent from any interference to demonstrate to all bidders that the ROM has a mandate of fairness. All proposals received from bidders in response to tender calls will be evaluated **consistently based on pre-established, disclosed criteria that are reasonable and unbiased.**

The decision to obtain supplies, equipment, and services is the responsibility of the user department. Purchasing employees will assist user departments in determining the best method of procurement to address their needs while adhering to the overall strategy of the organization in order to strengthen the ROM's competitive position.

**Procurement planning, including the early identification of needs, must be an integral part of the acquisition process to ensure that sufficient time is allowed to complete tender processes.**

<b>Date</b>	April 19, 2001
<b>Amended</b>	August 29, 2002 May 6, 2004 June 2007 (no changes) March 4, 2010

New language appears in **bold and underlined text**. Removal of language is shown with a ~~strikethrough~~.

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### **MONITORING**

#### **Adherence to Policy**

*Board:* The Finance/Audit Committee will periodically review management's adherence to the policy.

*Management:* The Director & CEO, ~~Chief Operating Officer~~, **Deputy Director, Operations** and the ~~Executive Director, Finance~~ **Vice-President & Chief Financial Officer** will ensure that the Finance/Audit Committee has all the relevant information for determining adherence.

## BOARD POLICY

### *PURCHASING*

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#### **Policy Review**

<i>Method</i>	Internal Report
<i>Responsibility</i>	Finance/Audit Committee
<i>Minimum Frequency</i>	Every <del>three</del> <b>two</b> years

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