

POLICY NUMBER: 2.00.230**EFFECTIVE DATE:** 9/15/05**TITLE:** Service Provider (Vendor) Selection
(and Ongoing Interaction)**SUPERSEDES:** 9/15/05**BOARD ADOPTION:** 9/15/05**APPROVED:** 

INTRODUCTION

This policy is intended to establish general guidelines and authorities for the selection and retention of WSIB service providers. Specific and detailed selection criteria will be established in investment and other policies of the Board or at the time a search process is initiated.

ROLES AND RESPONSIBILITIES

The role of the Board or designated Committees with respect to the selection of service providers is to:

- Establish appropriate policies to help ensure prudent and sound selection decisions are made;
- Monitor compliance with such policies; and
- Approve, in consultation with the Executive Director and, where appropriate, consultants, the appointment of named service providers, which include:
 - The recommendation to the State Treasurer for the custodian bank;
 - Investment managers;
 - Investment consultants;
 - The financial auditor; and
 - Other service providers, as may be determined by the Board.

Unless the Board determines otherwise, the Executive Director will be responsible for appointing service providers other than named service providers and for informing the Board of such appointments where they are material or significant.

The Executive Director will coordinate all search and due diligence activities, in conjunction with staff, consultants, and other external experts, as required.

Upon completion of the analysis and due diligence involved in the search process, the Executive Director will provide the Board or a designated Committee with, at a minimum:

- A description of the due diligence activities undertaken;
- A list of finalist candidates to be interviewed and an analysis of each candidate;
- A description of the expected performance monitoring and reporting efforts to be carried out with respect to the service provider in question throughout the term of the engagement.

Named Service Providers

The Board or Committee may interview the candidates prior to the Board making a final selection decision. The Board may delegate this responsibility to conduct interviews to the Executive Director and request that the Executive Director recommend a candidate for ratification by the Board.

The Executive Director will provide the Board or a Committee with periodic reports on the status of all search processes.

A Board "quiet period" will begin:

- Upon the start (i.e., upon the issuance of a formal procurement) of all competitive search processes that may result in the appointment of a new service provider or in the expansion of its relationship with an existing service provider;
- When a current service provider is placed on an official "watch list" and/or probation signifying that the service provider's performance has fallen below expectations or other issues have arisen such as to warrant closer scrutiny; or
- When the Board deems it is in the best interest of the WSIB to require that, for a limited period of time, communications between Board members and specified service providers be restricted to Board and Committee meetings only.

Staff will notify the Board upon initiation of a quiet period and a description of the service providers or types of service providers to whom it applies. During quiet periods, Board members shall not communicate with potential service providers or with an existing service provider on matters pertaining to the procurement, except during Board or Committee meetings.

In addition, Board members shall exercise particular discretion when considering other communication with affected service providers. For example, Board members should generally not meet with specified service providers for social or entertainment purposes.

Exceptions may be made in the case of conferences or other industry events, where Board members may socialize with affected service providers in open, group social settings such as cocktail receptions and luncheons, provided that they do not discuss matters pertaining to the procurement process.

A quiet period will cease:

- When a service provider has been appointed by the Board or the search process is otherwise ended;
- When a service provider is removed from the watch list and/or probation;
- When the quiet period is ended by action of the Board; or
- When otherwise determined by action of the Board.

Contracts

The Executive Director shall negotiate and execute all contracts for named service providers, and service providers other than named service providers, upon the direction of the Board and subject to review by legal counsel.

Monitoring and Reporting

All service providers will be subject to regular and appropriate performance monitoring by staff, and periodic reviews, as appropriate, throughout the term of their contracts. Criteria for review may include performance, staff satisfaction, competitiveness of fees, and quality of reporting.

The Executive Director will report regularly to the Board on all monitoring efforts involving named service providers, identifying in a timely manner any material issues or actions taken.

All monitoring and reporting provisions contained in this policy serve as minimum requirements. If more stringent requirements are established within other policies of the WSIB, such requirements will prevail.

The Executive Director or consultant, as appropriate, will report in a timely manner to the Board any failures by named service providers to comply with the terms of their contract.

POLICY REVIEW

The Board shall review this policy at least once every three (3) years to ensure that it remains relevant and appropriate.

Policy Adopted 8/1/03

Revised 9/15/05

Reviewed 7/20/06

Reviewed 4/16/09

Reviewed 6/21/12

Reviewed 6/18/15