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<b><i>Procurement Policy</i></b>		
Signing Authority:	<i>Board of Directors</i>	
Approval Date:	29/05/2018	Effective Date: 30/05/2018

## **SCOPE:**

This policy and procedure applies to all programs, services, and employees of the Royal Victoria Regional Health Centre (RVH) as well as professional staff with privileges (i.e. medical, dental, midwifery and extended class nursing staff) volunteers, students, and board members. These individuals shall be referred to collectively as Workers herein. This Policy also applies to Consultants as well as others authorized to purchase on behalf of RVH.

## **POLICY STATEMENT:**

To ensure an open, transparent, accountable and fair competitive process of Royal Victoria Regional Health Centre (RVH) procurement function of goods, services and construction. To comply with the mandatory requirements as issued by the Management Board of Cabinet Broader Public Sector (BPS) Procurement Directive and the *Broader Public Sector Accountability Act 2010*, as well as other mandatory trade agreements governing the BPS.

To standardize supply and equipment purchases whenever possible, and to ensure a continuing supply of materials, services, and equipment necessary to meet the ongoing approved needs of RVH while ensuring value for money and responsible spending of public funds.

It is the policy of RVH to establish structured procurement processes to ensure the health centre secures the best possible value for the purchase of goods, equipment, services and construction.

It is the policy of RVH to follow fair and consistent procurement processes to project an image of professionalism, efficiency, integrity and dedication to all representatives and business associates while providing effective and high quality service.

## **DEFINITIONS:**

**Advance Contract Award Notice (ACAN):** A public notice indicating to the supplier community that we intend to award a good, service or construction contract to a pre-identified supplier believed to be the only one capable of performing the work, thereby allowing other suppliers to signal their interest in bidding by submitting a statement of capabilities.

**Agreement:** The formal written document that will be entered into at the end of the procurement process.

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**Approval Authority:** The authority delegated by RVH to a person designated to occupy a position to approve on its behalf one or more procurement activities up to a specified dollar limit.

**Approval to Commence:** A formal RVH document that must be completed prior to commencement of any invitational or open competitive procurement process for any goods, non-consulting services and consulting services. Document approval must be obtained in accordance with RVH's Approval Authority Policy.

**Award:** The notification to a proponent of acceptance of a proposal, quotation or tender that brings a contract into existence.

**Bid:** A proposal, quotation or tender submitted in response to a solicitation from a contracting authority. A bid covers the response to any of the three principal methods of soliciting bids, i.e., Request for Proposal, Request for Tender and Request for Quotation.

**Bid Administrator:** The person(s) responsible for bid preparation and bid processing. They help to facilitate an open, fair and transparent process.

**Bid Dispute:** A post award dispute raised against the methods employed or decisions made in the administration of a proposal, tender, or quotation process.

**Canadian Construction Documents Committee (CCDC):** A national joint committee responsible for the development, production and review of standard Canadian construction contracts, forms and guides. Formed in 1974, the CCDC includes two owner representatives from each of the public and private sectors, as well as appointed volunteer members.

**Canadian-European Union Comprehensive Economic and Trade Agreement (CETA):** A progressive free-trade agreement between Canada, the European Union and its member states, aimed at eliminating or reducing barriers in trade.

**Canadian Free Trade Agreement (CFTA):** An intergovernmental trade agreement signed by Canadian Ministers that entered into force on July 1st, 2017. Its objective is to reduce and eliminate, to the extent possible, barriers to the free movement of persons, goods, services, and investments within Canada and to establish an open efficient, and stable domestic market.

**Competitive Procurement:** The set of procedures for developing a procurement contract through a bidding or proposal process. The intent is to solicit fair, impartial, competitive bids.

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**Conflict of Interest:** A situation in which financial or other personal considerations have the potential to compromise or bias professional judgment and objectivity. An apparent conflict of interest is one in which a reasonable person would think that the professional's judgment is likely to be compromised.

**Construction:** Construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement.

**Consultant:** A person or entity that, under an agreement other than an employment agreement, provides expert or strategic advice and related services for consideration and decision making.

**Consulting Services:** The provision of expertise or strategic advice that is presented for consideration and decision-making.

**Contract:** An obligation, such as an accepted offer, between competent parties upon a legal consideration, to do or abstain from doing some act. It is essential to the creation of a contract that the parties intend that their agreement shall have legal consequences and be legally enforceable. The essential elements of a contract are an offer and an acceptance of that offer; the capacity of the parties to contract; consideration to support the contract; a mutual identity of consent or consensus ad idem; legality of purpose; and sufficient certainty of terms.

**Credit Card:** An organizational credit card primarily used for low-cost, non-inventory, non-capital items, such as office supplies. The card allows procurement or designated staff to obtain goods and services without going through the requisition and authorization procedure. Credit Cards may be set up to restrict use to specific purchases with pre-defined suppliers or stores, and offer central billings.

**Electronic Tendering System:** A computer-based system that provides suppliers with access to information related to open competitive procurements.

**Evaluation Criteria:** A benchmark, standard or yardstick against which accomplishment, conformance, performance and suitability of an individual, alternative, activity, product or plan is measured to select the best supplier through a competitive process. Criteria may be qualitative or quantitative in nature.

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**Evaluation Matrix:** A tool allowing the evaluation team to rate supplier proposals based on multiple pre-defined evaluation criteria.

**Evaluation Team:** A group of individuals designated/responsible to make award recommendations. The evaluation team would typically include representatives from the purchasing organization and subject matter expert(s). Each member participates to provide business, legal, technical and financial input.

**Form of Agreement:** The template of the formal written document that will be entered into at the end of the procurement process.

**Freedom of Information and Protection of Privacy Act (FIPPA):** The *Freedom of Information and Protection of Privacy Act* (FIPPA) is a National legislation stipulating a right of access to records held by public bodies and regulates how public bodies manage personal information.

**Goods:** Moveable property (including the costs of installing, operating, maintaining or manufacturing such moveable property) including raw materials, product, equipment and other physical objects of every kind and description whether in solid, liquid, gaseous or electronic form, unless they are procured as part of a general construction contract.

**Goods and Services/Goods or Services:** All goods and/or services including construction, consulting services and information technology.

**Information Technology:** The equipment, software, services and processes used to create, store, process, communicate and manage information.

**Invitational Competitive Procurement:** Any form of requesting a minimum of three (3) qualified suppliers to submit a written proposal in response to the defined requirements outlined by an individual or organization for agreements with a total value between \$15,000.00 and \$100,000.00.

**Limited Tendering:** The use of a non-competitive procurement process to acquire goods or services from a specific vendor even though there may be one or more vendor capable of delivering the same goods or services.

**Non Application Procurement:** Those circumstances under which the CFTA Chapter Five, Government Procurement, rules do not apply.

**Non-Consulting Service Provider:** Is an individual/company who contracts to provide services to another individual or business for non-consulting services (see Consultant for definition of consulting services).

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**Non-Discrimination:** Fairness in treating suppliers and awarding contracts without prejudice, discrimination or preferred treatment.

**Offer:** A promise or a proposal made by one party to another, intending the same to create a legal relationship upon the acceptance of the offer by the other party.

**Plexxus:** A not for profit shared services organization (SSO) providing centralized purchasing, logistics, inventory management, and accounts payable capabilities in support of their member and customer hospitals, of which RVH is a customer.

**Procurement:** Acquisition by any means, including by purchase, rental, lease or conditional sale, of goods, services or construction.

**Procurement Policies and Procedures:** A framework and mandatory requirements to govern how organizations conduct sourcing, contracting and purchasing activities, including approval segregation and limits, competitive and non-competitive procurement, conflict of interest and contract awarding.

**Procurement Value:** The estimated total financial commitment resulting from procurement, taking into account optional extension periods, any related services, support agreements, and consumables, if applicable.

**Purchase Order (PO):** A written offer made by a purchaser to a supplier formally stating all terms and conditions of a proposed transaction.

**Request for Expressions of Interest (RFEI):** A document used to gather information on supplier interest in an opportunity or information on supplier capabilities/qualifications. This mechanism may be used when a BPS organization wishes to gain a better understanding of the capacity of the supplier community to provide the services or solutions needed. A response to a RFEI must not pre-qualify a potential supplier and must not influence their chances of being the successful proponent on any subsequent opportunity.

**Request for Information (RFI):** A document issued to potential suppliers to gather general supplier, service or product information. It is a procurement procedure whereby suppliers are provided with a general or preliminary description of a problem or need and are requested to provide information or advice about how to better define the problem or need, or alternative solutions. A response to an RFI must not pre-qualify a potential supplier and must not influence their chances of being the successful proponent on any subsequent opportunity.

**Request for Proposal (RFP):** A document used to request suppliers to supply solutions for the delivery of complex products or services or to provide alternative options or

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solutions. It is a process that uses predefined evaluation criteria in which price is not the only factor.

**Request for Quotation (RFQ):** A document used to request quotations for the provision of goods, service(s) or construction based on defined requirements and where a clear solution exists.

**Request for Supplier Qualifications (RFSQ):** A document used to gather information on supplier capabilities and qualifications, with the intention of creating a list of pre-qualified suppliers. This mechanism may be used either to identify qualified candidates in advance of expected future competitions or to narrow the field for an immediate need. Organizations must ensure that the terms and conditions built into the RFSQ contain specific language that disclaims any obligation on the part of the Organization to call any supplier to provide goods or services as a result of the pre-qualification.

**Requisition:** A formal request to obtain goods or services made within an organization, generally from the end-user to the procurement department.

**RFx:** A catch-all term that captures all references to Request for Expression of Interest (RFEI), Request for Information (RFI), Request for Proposal (RFP), Request for Quote (RFQ), and Request for Supplier Qualifications (RFSQ), etc.

**Services:** Intangible products that do not have a physical presence. No transfer of possession or ownership takes place when services are sold, and they (1) cannot be stored or transported, (2) are instantly perishable, and (3) come into existence at the time they are bought and consumed.

**Shared Service Organization (SSO):** A shared service organization that provides support for multiple health care facilities. By offering a number of diverse programs they can provide quality services and savings to individual institutions who can redirect towards patient care, programs and initiatives. RVH's primary SSO is Plexxus which provides procurement to payment services for medical/surgical products, health centre commodities, capital, and Services.

**Supplier/Vendor:** Any person or organization that, based on an assessment of that person's or organizations financial, technical and commercial capacity, is capable of fulfilling the requirements of procurement.

**Supplier/Vendor Debriefing:** A practice of informing a supplier why their bid was not selected upon completion of the contract award process.

**Supply Chain Activities:** All activities whether directly or indirectly related to the organizational plan, source, procure, move and pay processes.

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**Trade Agreements:** Any applicable trade agreement to which BPS must comply.

**Vendors-of-Record (VOR) Arrangement:** A procurement arrangement that authorizes organizations to select from one or more pre-qualified vendor(s), typically by way of a formal second-stage process, for a defined period, not to exceed three (3) years, on terms and conditions, including pricing, as set out in the particular VOR agreement. Vendors-of-record arrangements are used to reduce costs to the organization by establishing strategic relationships with a small group of vendors.

**PROCEDURE:**

**PROCUREMENT OVERVIEW:**

The following thresholds apply to the procurement of Goods, Equipment, Construction and Non Consulting Services at RVH. Value of procurement for approval purposes should not include the applicable sales taxes.

<b>Total Contract Value</b>	<b>Goods , Equipment, Construction and Non Consulting Services</b>
Less than \$15,000	Purchases under \$15,000 may be made after receiving a minimum of one written quote
\$15,001 - \$99,999	Purchases between \$15,001 and \$99,999 require three written quotes or proposals in the form of an invitational RFx
Greater Than \$100,000	Must be an open competitive process publicly advertised in accordance with the BPS Procurement Directive

The following thresholds apply to the procurement of Consulting Services at RVH:

<b>Consulting Services</b>	
Less than \$99,999	Services under \$99,999 require three responses in the form of an invitational competitive RFx. The Rfx is not required to be advertised publicly.
\$100,000 +	Must be an open competitive process. RFP must be publicly advertised in accordance with the BPS Procurement Directive

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<b>Procurement Approval for Consulting Services</b>		
<b>Procurement Method</b>	<b>Procurement Value</b>	<b>Approval Authority</b>
Invitational Competitive	Less than \$99,999	RVH Signing Authority for goods and non-consulting services
Open-Competitive	Any Value	RVH Signing Authority for goods and non-consulting services
Non-Competitive – Must be exemption based	Less than \$999,999	President/CEO
	\$1,000,000 or more	Board of Directors

All procurement documents as well any other pertinent information for reporting and auditing purposes must be maintained for a period of seven (7) years and in recoverable form, in keeping with the Records Retention Policy.

The Procurement Processes are managed by Plexxus and/or the appropriate health centre procurement personnel.

**Written Quote:** Quotes for goods, services and equipment above the capital threshold of \$5,000.00 should be requested through or provided to RVH Procurement.

**Competitive and Non-Competitive Procurement:** The process of obtaining proposals from vendors must be initiated through RVH Procurement. Sign off, following the Approval Authority Policy must be received before any RFX processes can be initiated. Sign off can be obtained through submission of an Approval to Commence Form.

**Capital Equipment:** Equipment over \$5,000 is considered capital and must follow the RVH capital intake process.

**Credit Card:** The procurement credit card is held in the name of the Director of Business Development and Supply Chain. For use of the credit card, a credit card request form must be completed, approved within the Approval Authority Policy and sent to RVH Procurement.

The credit card is to be used for small purchases where the vendor does not accept purchase orders. Itemized statements must be reconciled to original receipts and will be retained for audit purposes. Under no circumstances may a credit card be used to circumvent the procurement policy or restrictions.

**Group Purchasing Organizations (GPO):** RVH participates in Group Purchasing practices and contracts to provide greater purchasing efficiency, product standardization, cost benefit and contract harmonization. Plexxus and/or internal RVH procurement



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personnel will facilitate, co-ordinate and engage the RVH end user participation in the development, evaluation and management of GPO contracts.

**COMPETITIVE PROCUREMENT:**

All competitive procurement must follow the standard procedure as outlined below.

**Approval to Commence:** Prior to commencement, any procurement of goods, non-consulting services and consulting services must be approved in accordance with RVH's Approval Authority Policy.

**Threshold:** The value of a procurement is equal to the total estimated spend of the contract, including any option periods. Every effort should be made to aggregate volume in order to meet the highest possible threshold. Conversely, it is not permitted to split a purchase into smaller units to avoid following these practices.

Processes for competitive procurements are the same, whether invitational or open competitive. The only exceptions to the invitational competitive process are:

1. It is not required to publicly post the document on an electronic tendering system or to post the award notification;
2. It is not required to offer a "vendor debriefing", although it is still recommended.

All vendors must receive an identical invitation using a RVH or Plexxus RFX template. Proponents will be invited to submit written quotations or proposals. Upon vendor selection a written agreement or purchase order is issued. The entire process must be fully documented.

The advertising and posting practices during a competitive process must use accepted media to uphold the principles of fair, open and transparent dealings; to encourage maximum competitive response. In accordance with the BPS Procurement Directive, competitive procurements with an expected value greater than or equal to \$100,000 shall be made through an electronic tendering system that is equally accessible to all Canadian vendors.

**Process for Issuing Competitive Documents (Invitational or Open):** Competitive RFX documents for both invitational and open competitive processes must include:

- Full disclosure of the evaluation criteria, process and methodology to be used in assessing submissions;
- One Bid Administrator as the single point of contact and a statement that vendors who go outside of this contact person may be disqualified;
- Mandatory requirements that must be met such as conflict of interest declarations, confidentiality agreements and non-disclosure agreements, if appropriate;

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- A closing date and submission instructions. Bids received after the closing date and time must be disqualified;
- The process for the submission of questions on the procurement documents;
- A draft copy of Form of Agreement to be signed in the event of an award of the procurement;
- The period of irrevocability of bids where bids cannot be withdrawn;
- Notice that any confidential information supplied to RVH may be disclosed by RVH where it is obliged to do so under the *Freedom of Information and Protection of Privacy Act* (FIPPA), by an order of a court or tribunal or otherwise required at law;
- Must specify in the RFX which organizations may leverage or “piggyback” or “camp onto” the agreement following its completion by another organization.

For goods, services and construction valued at \$100,000 or more:

- A statement that the procurement is subject to Ontario's trade agreements;
- The vendor debriefing process;
- The bid dispute process;

**Evaluation Criteria:** Evaluation criteria and weightings must be developed, reviewed and approved by the Evaluation Team before the competitive process begins. These criteria must be included in the RFX document. The competitive documents must also identify those criteria that are considered mandatory and any technical standards that need to be met. Mandatory criteria should be kept to a minimum to ensure that no bid is unnecessarily disqualified. Maximum justifiable weighting must be allocated to the price component of the evaluation criteria. The Evaluation Criteria can only be changed or altered by addendum once the competitive process has begun.

The evaluation criteria will be used by the Evaluation Team, to decide which bid should be selected from the competitive process. In evaluating bids, the Evaluation Team may take into account not only the submitted price but also quality, quantity, transition costs, delivery, servicing, environmental considerations, the capacity of the vendor to meet requirements of procurement, experience, financial capacity of the vendor, and any other criteria directly related to the procurement.

An evaluation process will comprise of at least three components: mandatory requirements, rated requirements and price. The Bid Administrator must not request information from vendors that will not be evaluated or that might affect the evaluation process. It is recommended that the Evaluation Team ensures the criteria and weighting will deliver the result that best meets the requirements.

A full disclosure of the evaluation methodology and process in the RFX document must include the following:

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- A clear articulation of all mandatory requirements. The document must indicate that mandatory requirements will be assessed on a pass/fail basis and indicate how vendors achieve a passing grade
- All weights (should include sub-weights) for rated requirements. Where a vendor fails to meet a stated minimum score for rated requirements no further evaluation should take place
- Description of any short-listing processes, including any minimum rated score requirements
- The role and weighting, if applicable, of reference checks, oral interviews and demonstrations
- Descriptions of the price/cost evaluation methodology, including the use of examples in the evaluation process, to determine costs for specific volumes and/or service levels
- The method to resolve a tie score

**Specification Requirements:** RFX documents must include a description of the required goods or services in generic and/or functional terms specific to the business needs. When the use of non-generic and/or non-functional terms is appropriate, the specifications must deal with performance requirements and exclude all features that could unfairly present an advantage to certain vendors. The following requirements should be adhered to in the preparation of the specifications:

- Specifications should be detailed and not brand-specific. Suppliers should be able to provide alternatives if an equal or better-proven product or method is available
- Non-competitive purchase: approval of specifications which result in a Limited Tendering purchase will be at the discretion of the Director of Business Development and Supply Chain and the appropriate functional Vice President
- Suppliers who consult in the development of specifications: a vendor who is paid to provide assistance in the development of specifications is prohibited from submitting a proposal for which those specifications apply

**Ownership of Specifications:** notwithstanding any assistance in the preparation of the specifications by a consultant, it is intended (subject to the contractual arrangements made) that the specifications will be and remain the property of RVH if applicable.

**Timelines for Posting Competitive Procurements:** All publicly advertised bids must provide vendors a minimum response time of fifteen (15) calendar days, in some circumstances under CETA it can be as long as 40 days, for procurements valued at \$100,000 or more. For products or services that are more complex, consideration must be given to providing response times longer than fifteen (15) calendar days to ensure that vendors have a reasonable period of time to submit a bid. The timeline should also take into account the complexity of the procurement and the time needed by RVH to properly disseminate the information.

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**Selection Process:** The Bid Administrator must ensure that each member of the Evaluation Team has completed an evaluation matrix rating each of the proponents. Records of evaluation scores must be auditable. Evaluators should be aware that everything they say or document must be fair, factual and fully defensible.

The Evaluation Team must select only the highest ranked submission(s) that have met all mandatory requirements set out in the related procurement document. Unless expressly requested in the purchasing documents, RVH must not consider alternative strategies or solutions proposed by a vendor.

Additional considerations during the selection process include:

- The Bid Administrator is entitled to ask vendors for clarification on their submission as long as it does not change their submission in any way.
- RVH reserves the right to cancel and reissue a revised solicitation when bids are received in response to a solicitation but exceed the RVH budget, do not meet the requirements or do not represent fair market value, in an effort to obtain an acceptable bid.
- If no bids are acceptable and it is not reasonable to go through any other method, RVH may choose to negotiate directly with the vendor that most closely meets the requirements. This process must be justified and documented.

Any vendor whose submission is rejected during the evaluation process may be notified of the rejection in writing as soon as possible after completion of the procurement process. With the exception of any pricing that was made publicly available at the time of a public opening, all submission evaluation details must be kept confidential.

**Non Discrimination:** RVH must refrain from any discrimination or preferred treatment in awarding a contract to the qualified vendor from the competitive process. Decisions based on discrimination may be subject to bid protests or disputes from those vendors who believe the process may have been unfair or biased.

a. RVH will not:

- discriminate between the vendors and/or the good or services they provide of a particular province or region, including those goods and services included in construction contracts or
- impose or consider, in the evaluation of bids or the award of contracts, local content or other economic benefits criteria that are designed to favour a particular province or region, including those goods and services included in construction contracts.

b. Except as otherwise provided, measures that are inconsistent with section (a) include the following:

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- The imposition of conditions that are based on the location of a vendor's place of business in Canada, the place in Canada where the goods are produced or the services are provided, or other like criteria;
- The biasing of technical specifications in favour of, or against, particular goods or services, including those goods or services included in construction contracts, or in favour of, or against, the vendors of such goods or services for the purpose of avoiding the requirements of the bid process;
- The timing of events in the competitive process so as to prevent vendors from submitting bids;
- The specification of quantities and delivery schedules of a scale and frequency that may reasonably be judged as deliberately designed to prevent vendors from meeting the requirements of the procurement;
- The division of required quantities or the diversion of budgetary funds to subsidiary agencies in a manner designed to avoid these obligations; and
- The use of price discounts to favour particular vendors.

**Contract Award:** Following the procurement process, a signed written contract or purchase order must be established in accordance with the RVH Approval Authority Policy.

The contract should be finalized using the Form of Agreement/Contract that was released with the procurement document as amended through agreement between the parties during negotiation.

All contracts should include appropriate cancellation or termination clauses. In the case of IT projects in particular, the contract should contain clauses that permit cancellation or termination at critical project life-cycle stages.

The term of the agreement and any options to extend the agreement must be set out in the procurement document. Changes to the term of the agreement may change the procurement value. Prior written approval by the appropriate authority is necessary before changing contract start and end dates. Extensions to the term of agreement beyond what is set out in the procurement document are considered non-competitive procurements and therefore RVH must seek appropriate Limited Tendering approval prior to proceeding.

RVH will use standard Agreement templates for each competitive procurement document. Terms and conditions which typically vary between different procurement initiatives include:

- Term (including options for extension)
- Cancellation/Termination
- Payment terms

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The Form of Agreement can be either a draft contract or the Terms and Conditions from a Purchase Order. Deciding on which Form of Agreement is based on the level of complexity and management of risks. Typically, Purchase Orders are used in low value straightforward situations.

By including the Form of Agreement within the procurement, the Suppliers will ideally accept the terms and conditions when submitting the bid. This simplifies the procurement process by:

- Allowing for a fair comparison of submissions based on common terms and conditions
- Allows Suppliers to consider the terms and conditions when pricing the submission
- Minimizes negotiations with the selected Supplier since terms are pre-accepted

For services, RVH must:

- Establish clear terms of reference for the assignment. The terms should include objectives, background, scope, constraints, staff responsibilities, tangible deliverables, timing, progress reporting, approval requirements, and knowledge transfer requirements
- Establish expense claim and reimbursement rules compliant with the Broader Public Sector Expenses Directive and ensure all expenses are claimed and reimbursed in accordance with these rules
- Ensure that expenses are claimed and reimbursed only where the contract explicitly provides for reimbursement of expenses, as set out in the *Broader Public Sector Accountability Act, 2010* (s.10) and the associated BPS Expense Directive. Under no circumstances will external resources be reimbursed for food, hospitality or incidental expenses.

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**CONSULTING SERVICES PROCUREMENT:**

When assessing a service to determine if it is consulting, the following conditions should be considered:

- Is the focus of the service *strategic advice and guidance*?
- Is the service assessment *without implementation*?
- Is the result to provide *information for consideration and/or decision making*?

Consultant agreements must include all key requirements, such as the scope of the project, key deliverables, remuneration, fixed ceiling price, timing, payments tied to specific deliverables, and proper management of consultant performance.

Detailed invoices for all out-of-pocket expenses must be provided with detailed receipts. Reimbursement of out-of-pocket expenses will follow the RVH's Travel and Business Expense policy for eligibility and amounts and must be pre-approved.

Travel (mileage) and parking expenses shall be included in the rates quoted. Accommodation, meals, hospitality, and other incidentals shall not be included and are not eligible expenses.

Any additional engagement, outside of the scope of the contract will require a separate competitive procurement process.

**Lobbyists:** Under the *Broader Public Sector Accountability Act, 2010* (BPSAA) certain broader public sector organizations such as: classified agencies like Cancer Care Ontario and eHealth Ontario, LHINs, CCACs, Hospitals and other publicly funded organizations who receive more than \$10 million in government funding in the previous fiscal year are banned from using public funds to hire lobbyists.

**NON-COMPETITIVE PROCUREMENT:**

RVH may only complete non-competitive procurement in situations outlined in the exemption and non-application clauses set out in chapter Five, Government Procurement, of the CFTA. Prior to completion of non-competitive procurement, a RVH Limited Tendering Approval Form must be completed and approved within the Approval Authority Policy.

When procurement is made on an exception basis, the decision to modify the standard process must be documented using RVH's Limited Tendering Approval Form. The RVH Procurement Department should be consulted for proper use of the exceptions. The Director of Supply Chain must approve documentation before senior leadership approval is obtained.

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In order to validate the lack of competition in the marketplace and further justify a non-competitive procurement process, an ACAN can be posted.

**CONTRACT MANAGEMENT:**

Procurement and the resulting contracts must be managed responsibly and effectively. Payments must be made in accordance with provisions of the contract. All invoices must contain detailed information sufficient to warrant payment. Any overpayments must be recovered in a timely manner. Assignments must be properly documented. Supplier performance must be managed and documented, and any performance issues must be addressed. To manage disputes with vendors throughout the life of the contract, RVH should include a dispute resolution process in their contracts.

All contracts will have an owner. The owner, in collaboration with Plexxus and/or RVH procurement personnel, is responsible for planning, acquisition, approval, payment and management oversight of the terms of the contract.

Plexxus will maintain a contract database for all in scope contracts. Pharmaceuticals and Food and Nutrition contracts are maintained by the departments.

All new contracts or contract renewals must be initiated and/or approved through the RVH Procurement Department.

**PROCUREMENT CODE OF ETHICS:**

The RVH Code of Ethics, in addition to applicable provincial and federal regulations, sets the minimum standards of behavior and conduct expected from all employees and all internal service providers (inclusive of physicians, students, volunteers, contractors and Board Members) at all times. Compliance with the Code of Ethics is mandatory.

Individuals involved with supply chain activities 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 engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products.

Supply chain activities must be open and accountable. In particular, 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 public sector resources are used in a responsible, efficient and effective manner.



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Individuals involved with purchasing or other supply chain activities must comply with this Code of Ethics and the laws of Canada and Ontario.

**CONFLICT OF INTEREST:**

All perceived, actual or potential conflicts of interest must be declared when involved in a supply-chain- related activity.

Evaluation team members must be aware of the restrictions related to confidential information shared through the competitive process and refrain from engaging in activities that may create or appear to create a conflict of interest. BPS organizations must require evaluators to sign a conflict-of-interest declaration and non-disclosure agreement at the beginning of the procurement process.

1. Conflict of interest is:
  - a. Having relationships that may affect or may be perceived to affect objectivity
  - b. Providing assistance or advice to a vendor participating in a competitive process
  - c. Having an ownership, investment interest or compensation arrangement with any entity participating in a competitive initiative
  - d. Having access to confidential information that may affect or may be perceived as affecting objectivity
  - e. Providing advice regarding the development of competitive procurement documents/ specifications and responding as part of the competitive process
2. All Workers, Consultants, and others authorized to purchase on behalf of RVH are required to declare any perceived, actual or potential conflicts of interest
3. Prospective and/or successful proponents are required to declare any perceived, actual or potential conflicts of interest:
  - a. During the procurement process
  - b. During the performance of their contractual obligations
4. RVH reserves the right to:
  - a. Solely determine whether a situation constitutes a conflict
  - b. Disqualify prospective vendors from a procurement process due to conflict of interest.
  - c. Terminate a contract where a vendor fails to disclose an actual or potential conflict of interest or fails to resolve the conflict of interest as directed by RVH
  - d. Terminate a contract where a conflict of interest cannot be resolved

In the event of uncertainty with respect to a perceived conflict of interest, it will be the responsibility of the RVH Procurement Department, in collaboration with senior leadership, to determine whether or not it shall be deemed a conflict.

***Procurement Policy***

**LEGISLATION/REGULATION:**

Procurement activities will be conducted according to the law in Ontario, including contract law, law of competitive processes, privacy legislation, accessibility legislation and any other applicable legislation.

*Broader Public Sector Accountability Act, 2010* (BPSAA) was introduced on October 20, 2010 and received Royal Assent on December 8, 2010. The BPSAA establishes new rules and higher accountability standards for hospitals, Local Health Integration Networks (LHINs) and broader public sector organizations.

The Broader Public Sector (BPS) Procurement Directive (Directive) issued on July 1, 2011 is based on the five key principles that ensures publicly funded goods and services, including construction, consulting services, and information technology are acquired by BPS organizations through a process that is open, fair, and transparent to all stakeholders.

Canadian-European Union Comprehensive Economic and Trade Agreement (CETA): A progressive free-trade agreement between Canada, the European Union and its member states, aimed at eliminating or reducing barriers in trade. It was signed on October 30, 2016 and entered into force on September 21, 2017.

Canadian Free Trade Agreement (CFTA) An intergovernmental trade agreement signed by Canadian Ministers that entered into force on July 1st, 2017. Its objective is to reduce and eliminate, to the extent possible, barriers to the free movement of persons, goods, services, and investments within Canada and to establish an open efficient, and stable domestic market. Specifically, Chapter Five of the CFTA is to establish a transparent and efficient framework to ensure fair and open access to government procurement opportunities for all Canadian suppliers.

**REFERENCES:**

1. Broader Public Sector (BPS) Procurement Directive issued by Management Board of Cabinet, effective April 1, 2011. Found at:  
[http://www.fin.gov.on.ca/en/bpssupplychain/documents/bps\\_procurement\\_directive.html](http://www.fin.gov.on.ca/en/bpssupplychain/documents/bps_procurement_directive.html)
2. Freedom of Information and Protection on Privacy Act (FIPPA). Found at:  
<http://www.accessandprivacy.gov.on.ca/english/act/index.html>
3. Plexus: Found at: <https://www.plexus.ca>

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4. CFTA: Found at: <https://www.cfta-alec.ca>
5. CETA: Found at: <http://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/index.aspx?>

**CROSS REFERENCES:**

Royal Victoria Regional Health Centre (2018) Corporate Policy and Procedure *Approval Authority*

Royal Victoria Regional Health Centre (2017) Corporate Policy and Procedure *Travel and Business Expense*

Royal Victoria Regional Health Centre (2015) Corporate Policy and Procedure *Records Retention*

Royal Victoria Regional Health Centre *Approval to Commence Form*

Royal Victoria Regional Health Centre *Limited Tendering Approval Form*