

SECTION:	FINANCE	POLICY NUMBER:	FN 10-050
SUB-SECTION:	The Purchasing Cycle	EFFECTIVE DATE:	2024-01-01
SUBJECT:	The Corporate Purchasing Policy	LAST REVISION DATE:	2023-11-23

DEFINITION

“Conflict of interest” means a situation in which financial or other personal considerations have the potential to compromise or bias professional judgement and objectivity. An apparent conflict of interest is one in which a reasonable person would think that the professional’s judgement is likely to be compromised.

POLICY

Cornwall Community Hospital is accountable for its use of public funds in the acquisition of goods, services and equipment in accordance to the Broader Public Sector Procurement Directive (issued by Management Board of Cabinet) which includes the Supply Chain Code of Ethics.

Scope - Except as otherwise specifically delegated by the governing body, the procurement of goods and services from all sources of Hospital revenue including but not limited to general operating funds, capital funds and other monies held in trust for special purposes, shall be the responsibility of Materiel Management Services, or the Project Specialist and Equipment Planning within Facilities Services as applicable. All references herein to Materiel Management shall be interpreted to also include the Project Specialist.

Exclusions under the Broader Public Sector Procurement Directives are:

- utilities (electricity, gas, water, etc.)
- investment services
- personnel services (benefits, wage and salary administration)
- insurance services
- legal services
- finance audit services
- banking services
- education services
- other exceptions deemed appropriate by Senior Management (see section 2.h)

1. General Purchasing Practices

A purchase decision is the result of a process, which includes identifying a need, considering alternatives, which can satisfy the need, and selecting the best value alternative. Materiel Management Services, in addition to its responsibility to make purchases on behalf of Hospital administrative and support staff, offers assistance at the various stages leading to a decision to purchase. The process of acquiring goods and services is recognized by the

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Hospital as being fundamental to its efficient operation and often represents significant legal and financial commitments by the Hospital.

Materiel Management Services has the *delegated authority* to provide procedural advice, sourcing resources, negotiating and contractual practices to complement the technical and/or specialized knowledge of the requisitioning department for all goods and services required by the Hospital, except for those exclusions as outlined in the Scope.

Employees and medical staff are expected to be vigilant in the assessment of and the arrangements for acquisition and evaluation of goods and services. Matters pertaining to current contracts and tenders are confidential except information exchanged during a formal public opening.

Product trials and pilot projects are subject to a competitive tendering process. Vendor products or services are not to be trialed without prior authorization/knowledge of the Purchasing Department.

a) **Cooperative Group Purchasing**

The Hospital believes that a long term commitment to and continued support of group purchasing efforts will result in financial benefits for the Hospital. In this regard, the Hospital participates in membership to Group Purchasing Organizations (GPO) who act as agents of the many hospitals in Ontario by negotiating group contracts for commodity items. When the hospital enters into a contract for products, the Hospital will use the equivalent GPO contract if available, unless the products do not meet the hospital's clinical requirements.

b) **Purchase Requisitions**

Purchase requisitions entered on line must be approved by an authorized individual prior to the issuance of a purchase order. The authority for the *approval of purchase requisitions* rests with the budget holder which is pre-determined in our Materiel Management Information System (MMIS) financial hierarchy. Materiel Management Services is responsible for ensuring that the proper approval is obtained before issuing a purchase order on system bypass requests. The purchase order is a legal contract and is generated for every properly approved purchase requisition. Materiel Management Services shall be the only department authorized to issue or cancel a purchase order.

c) **Minor Purchase Options**

While Materiel Management Services is available for assistance in the procurement of all goods and services, those valued at a tax-included price of \$200 or less may be initiated and completed by authorized individuals at the department level that allows purchases to be made by without requiring a purchase order. Additionally, reimbursement for expenditures not exceeding \$50 may be sought from the Business Office *Petty Cash Fund*; provided appropriate receipts and departmental approval is evident.

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d) Receipt of Goods

All shipments and deliveries must be delivered through the Hospital Receiving Department or directly to the site of installation by the vendor. If issues arise surrounding the receipt of goods and services, the department shall notify Materiel Management Services who will negotiate the action required for damaged, rejected and/or surplus supplies, equipment or services with the supplier.

e) Conflict of Interest

The Hospital will consider any conflicts of interest during procurement activities applicable to all employees, advisors, external consultants or suppliers. The Hospital will require any individual involved in supply chain-related activities to declare all actual or potential conflicts of interest. The Hospital reserves the right to solely determine whether any situation or circumstance constitutes a conflict of interest.

2. Competitive Procurement Thresholds and Exceptions (See Table 1 for summary)

- a) In accordance with the Canadian Free Trade Agreement (CFTA), the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), the Trade and Cooperation Agreement between Ontario and Quebec (OQTCA), Broader Public Sector Procurement Directive and the Procurement Policies and Procedures (PPP's) principle of transparency, Cornwall Community Hospital will conduct an open competitive process where the estimated value of procurement of goods, services construction or consulting (excluding taxes) is **\$121,200 or greater**.
- b) Whereby the value of the estimated goods or non-consulting services are between **\$10,000 and \$121,200**:
 - i) A minimum of three written proposals must be obtained and provided to Materiel Management;
 - ii) Should the minimum number of proposals not be obtained, the associated documentation should detail the reasons why and the Single/Sole Source Justification Form attached hereto as Appendix A, must be completed and signed before the contract or purchase order is awarded;
 - iii) If the value is over \$50,000, Materiel Management must be notified before receiving any supplier proposals and preferably notified before contacting any supplier.
 - iv) All contracts or purchase orders awarded, with associated documentation, must be maintained and stored with Materiel Management;
 - v) Government legislation shall apply to all competitive and non-competitive procurement documentation.
- c) Whereby the nature of the goods or non-consulting services solicited is **between \$2000 and \$10,000** a purchase requisition/order will be required as a minimum.

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- d) Whereby the nature of the goods or non-consulting services solicited is **below \$2000**, a cheque requisition accompanied by appropriate receipts coded and authorized by manager will be required as a minimum.
- e) Whereby the value of the estimated consulting services are below **\$121,200**:
 - i) A minimum of three formal submissions must be solicited and obtained through the competitive process (invitational or open);
 - ii) Should the minimum number of formal submissions not be obtained, the associated documentation should detail the reasons why;
 - iii) All suppliers participating must be qualified to participate;
 - iv) All contracts or purchase orders awarded, with associated documentation, must be maintained and stored with Materiel Management;
 - v) Government legislation shall apply to all competitive documentation.
- f) Compliance with Procurement Thresholds:
 - i) All purchases are to be made on a competitive basis in accordance with “Table 1: Procurement practices that comply with BPS Directives” in order to obtain best price/value for the organization. The manager and/or director for each department is responsible and accountable for ensuring that purchases authorized through their department conform to The Corporate Purchasing Policy. No other department or individual within the hospital have the authority to commit the hospital’s funds towards the purchase of any supplies, services or equipment.
 - ii) Materiel Management will reject all purchase requisition line items that do not confirm that the minimum procurement practices were followed as outlined in Table 1. The requester is required to scan the quotation documents into the requisitions document tab in ORMED to confirm compliance.

Table 1: Procurement practices that comply with BPS Directives:

Goods and Services (Non-Consultant Services)		
Estimated Total \$ Value for 3 year period	Minimum Procurement Practice	Obligation
Less than \$2000	Cheque Requisition with receipt/invoice and coding authorized by manager	Minimum Requirement
\$2000 up to but not including \$10,000	Purchase Requisition/Order	Minimum Requirement
\$10,000 up to but not including \$121,200	Minimum of 3 written quotes, using invitational competitive procurement	Minimum Requirement
\$121,200 or more	Open competitive	Required (BPS Directive)

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Consulting Services		
Estimated Total \$ Value	Procurement Practice	Obligation
\$0 up to but not including \$121,200	Invitational or open competitive	Required
\$121,200 or more	Open competitive	Required

g) Exceptions to the Competitive Process:

In certain unique circumstances, the hospital may not have the ability to go through a competitive process for their procurement activity and will have to use one of the two main types of direct awards: Single Sourcing and Sole Sourcing. The Single/Sole Source Justification Form, attached hereto as Appendix A, must be completed and signed before the contract or purchase order is awarded.

i) **Single Sourcing** - Allowable exceptions for competitive procurements include:

- Where an unforeseen situation of urgency exists and the goods, services or construction cannot be obtained by means of open procurement procedures. Where a non-competitive procurement is required due to an urgent situation, Cornwall Community Hospital may conduct the procurement prior to obtaining the appropriate approvals provided that the urgency has been justified in writing.
- Where goods or consulting services regarding matters of confidential or privileged nature are to be purchased and the disclosure of those matters through an open competitive process could reasonably be expected to compromise confidentiality, cause economic disruption or otherwise be contrary to the public interest.
- Where a contract is awarded under a cooperation agreement that is financed, in whole or in part, by an international organization only to the extent that the agreement includes different rules for awarding contracts.
- Where construction materials are to be purchased and it can be demonstrated that transportation costs or technical considerations impose geographic limits on the available supply base, specifically in the case of sand, stone, gravel, asphalt compound and pre-mixed concrete for use in the construction or repair of roads.
- Where an open competitive process could interfere with the hospital's ability to maintain security or order or to protect human, animal or plant life or health.
- Where there is an absence of any bids in response to an open competitive process that has been conducted in compliance with this document.
- Where only one supplier is able to meet the requirements of procurement in the circumstances (sole sourcing).

ii) **Sole Sourcing** - In accordance with BPS Directives and the Canadian Free Trade Agreement (CFTA), the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), the Trade and Cooperation Agreement between Ontario and Quebec (OQTCA), in the situation where only one supplier is able to meet the

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requirements of procurement, the Cornwall Community Hospital may use sole sourcing in the following circumstances:

- To ensure compatibility with existing products and equipment, 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.
 - Where there is an absence of competition for technical reasons and the goods or services can only be supplied by a particular supplier and no alternative or substitute exists.
 - For the procurement of goods or services, the supply of which is controlled by a supplier that is a statutory monopoly.
 - For the purchase of goods on a commodity market.
 - For work to be performed on or about a leased building or portions thereof that may be performed only by the leaser.
 - 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.
 - For a contract to be awarded to the winner of a design contest.
 - 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.
 - For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases.
 - For the procurement of original works of art.
 - For the procurement of subscriptions to newspapers, magazines or other periodicals.
 - For the procurement of real property.
- h) Exceptions for requirements to use the Purchase Requisition/Order Process for values > \$2000:

In addition to the exclusions under the Broader Public Sector Procurement Directives, the procurement of goods and services listed below are exempt from the Purchase Requisition/Order Process for values > \$2000. In most cases these items will have contracts in place, and invoices will be paid through our cheque requisition process.

- Services or Supplies invoiced by usage (Lab, Food, Patient Transfer, Linen, External Patient Testing);
- Courier/Shipping/Delivery;
- Salaries, Wages, Benefits, Courses and Professional Dues;
- Client/Patient Expenses (Rent, Respite, Supplies);
- Pharmacy Inventory;
- Phone/Data usage with variable billing (Bell, Telus, Rogers, Cogeco);
- Translation costs;
- Credit Card and Business Travel payments that follow expense authorization policy.

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3. Tender Submission Acceptance

The Hospital shall not be bound to accept the lowest or any tender, and no tender shall be deemed to have been accepted unless and until notice in writing is provided by the Hospital to the successful supplier in the form of a contract or purchase order.

The tender document, any subsequent written amendment, the offer and the notice in writing of acceptance of the offer shall constitute the agreement between the Hospital and the successful supplier.

4. Delegation of Authority

- a) Cornwall Community Hospital shall segregate at least three of the five functional roles in the purchasing process. Responsibilities for these functions will lie with different departments or at a minimum with different individuals.

Functional Role	Explanation	Authority
Requisition	Authorize the supply chain department to place an order	Customer requesting the product or service
Budget	Authorize that funding is available to cover the cost of the order	Departmental budget holder
Commitment	Authorize release of the contract, or purchase order to the supplier under agreed-upon contract terms	Contracts Manager or Purchasing role in the Materiel Management department
Receipt	Authorize that the order was physically received, correct and complete	Individual receiving the goods
Payment	Authorize release of payment to the supplier	Accounts Payable role within the finance team

- b) Cornwall Community Hospital will have authority levels that identify the approvals required for various dollar levels of purchasing. These delegated authority levels will be complied with for every item that is purchased. CCH will seek the necessary approval authority for all procurements prior to conducting the procurement. Approvals for procurements will be based on the total estimated value of the procurement, including any agreed-upon renewals but excluding taxes.,

See CCH Policy No. FN 10-025 Expense Authorization

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PROCEDURE FOR PROCUREMENT OF GOODS, SERVICES AND CONSULTANTS

1. Commencement of Procurement Process

- a) Materiel Management will:
 - i) Seek the necessary approval for all procurements prior to conducting the procurement.
 - ii) Develop evaluation criteria, in conjunction with the budget manager prior to the commencement of the competitive process.

2. Prequalification

- a) Materiel Management will:
 - i) Require, where necessary, suppliers participating in the tendering process with the Hospital to qualify prior to receiving the tender documents. It is noted that not all tenders require pre-qualification.
 - ii) Add a supplier, once qualified, to the vendor list for that commodity for future tender document submissions.
 - iii) Ensure that a response to a Request for Information (RFI) or Request for Expression of Interest (RFEI) will not pre-qualify a potential supplier and will not influence their chances of being the successful proponent on any subsequent opportunity.
 - iv) Ensure that the terms and conditions built into the Request for Statement of Qualifications (RFSQ) contain specific language to disclaim any obligation on the part of the hospital to actually call on any supplier as a result of the pre-qualification to supply such materials or services.

3. Procurement Documents

- a) Materiel Management will:
 - i) Identify clearly in the tendering documents the place, date, time and contact for tender document closing.
 - ii) Develop, review and approve the evaluation criteria prior to commencement of the competitive procurement process.
 - iii) Include the evaluation criteria in the competitive documents.
 - iv) Identify in the competitive documents, the evaluation criteria that are considered mandatory and any technical standards that need to be met. The evaluation criteria cannot be changed or altered once the competitive process has begun.
 - v) Allocate the maximum justifiable weighting to the price/cost component of the evaluation criteria.
 - vi) Alter the evaluation criteria only by means of addendum to the competitive procurement documents.
 - vii) Disclose fully the evaluation methodology and process to be used in assessing a supplier's submission.

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- viii) Identify in the evaluation criteria of the Request for Proposal the method to resolve a tie score, including weighting if applicable. Tie-break criteria are also subject to the rules of non-discrimination.
- ix) Set out in the procurement document the term of the agreement and any options to extend the agreement. Changes to the term of the agreement may change the procurement value. Prior written approval by the appropriate approval 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 Cornwall Community Hospital must seek appropriate approval authority prior to proceeding.
- x) Communicate the bid protest procedures for suppliers in all competitive and procurement documents to ensure that any dispute is handled in a reasonable and timely fashion, and ensure that the process is compliant with the bid protest procedures as set out in the AIT and the Ontario-Quebec Procurement Agreement.
- xi) Include in general the following in all tender documents:
- clearly define the contractual obligations of the parties
 - use general conditions within tender documentation that are standard in the industry with appropriate special conditions only where necessary
 - provide sufficient detail of all supplies and/or services required by the tender document
 - provide information known to the Hospital which may affect the risks in the project
 - clearly identify any special conditions or obligations within the tender document which are not normally part of the standard conditions
 - specify any supporting information required from suppliers
 - identify a person(s) for the provision of additional information
 - specify the precise format required of the tender submissions
 - specify whether or not alternative submissions and part submissions are acceptable
 - specify obligations regarding identification of and relationship with third parties
 - where appropriate, consider quality assurance procedures for work and service
 - when the provision of service is to patients or the public, include a clause stating the obligation to ensure the offer of services in both official languages (English and French)
 - provide guidance to suppliers as to the process of evaluation of the tender submissions, and measurement of performance of the eventual contract
 - provide encouragement to suppliers to incorporate innovation, by allowing submission of alternatives, while still satisfying the Hospital's objectives
 - ensure compliance with standards/regulatory requirements
 - request details as to delivery/completion time
 - request warranty provisions in maintenance or actual operation of equipment
 - request direct, indirect and operational costs
 - request financial capability, technical and managerial capacity to fulfill the requirement
- xii) Maintain for a period of seven (7) years all procurement documents, as well as any other pertinent information for reporting and auditing purposes, and make them available in recoverable form if requested.

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4. Call for Tender/Proposals

- a) Materiel Management will:
- i) Call for competitive procurement:
 - through an electronic tendering system that is equally accessible to all Canadian suppliers, in accordance with the Broader Public Sector Procurement Directive;
 - through an electronic tendering system and/or one or more of the following methods for construction contracts between \$100,000 and \$250,000 as they are not subject to the requirement of Agreement on Internal Trade (AIT):
 - Publication in one or more predetermined daily newspapers that are easily accessible to all Canadian suppliers; or
 - The use of source lists, such as Vendors of Reference (VOR's) or preferred suppliers lists.
 - ii) Provide suppliers a minimum response time of 15 calendar days for procurements valued at \$100,000 or 30 calendar days for procurements of high complexity, risk, and/or dollar value.
 - iii) Ensure that the closing date is set on a normal working day (Monday to Friday, excluding provincial and national holidays); submissions delivered after the closing time will not be considered.

5. Changes to Tender Documentation

- a) Materiel Management will:
- i) Make interpretations in reply to queries from suppliers in the form of written addendum (facsimile/electronic).
 - ii) Initiate the issuance of an addendum when it becomes necessary to revise, delete, substitute or add to a released tender document.
 - iii) Forward the addenda to each participating supplier who obtained tender documentation.
 - iv) Provide on the addendum the tender closing date extension if, in certain cases, the addendum requires additional time commitment from the suppliers to meet the requirement.

6. Conditions for Tender Submissions

- a) Materiel Management will:
- i) Assume that the submission of a tender means the supplier has obtained all information necessary for its accurate preparation.
 - ii) Reserve the right, on behalf of the Hospital, to accept a tender submission for all of the items or for each or any item.
 - iii) Reserve the right, on behalf of the Hospital, to exercise its diligence, by interview or inspection of the premises of any supplier prior to contract or order allocation.

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- b) Materiel Management may:
 - i) Call upon the supplier to supply information additional to that shown in the tender submission.
- c) The Supplier will:
 - i) Comply with requests to supply information additional to that shown in the tender submission within the time specified.
 - ii) Submit in writing all tender submission information and responses to inquiries and follow the request format as outlined in the tender document. Content of the submission may be incorporated into and be made part of any contract or order between the Hospital and the supplier.
 - iii) Include in the tender submission net pricing (less all discounts), including all direct and indirect costs, ensuring the standard of service called for is maintained consistently throughout the contract or order.
 - iv) Refrain from applying taxes to the unit pricing of goods or services in the tender submission.
 - v) Provide sufficient information on all criteria together with any other information that is available to allow an accurate assessment of their tender submissions.

7. Condition for Tendering Document Closing

- a) Materiel Management will:
 - i) Accept tender submissions delivered in person and via courier.
 - ii) Accept electronic format, such as facsimile and e-mail, if stated as acceptable on the tender documentation.
 - iii) Refuse to consider tenders conveyed orally.
 - iv) Refuse to consider tender submissions received after the specified closing time and date unless the supplier provides explicit and conclusive evidence that the tender submission was delivered to the issuing office in time and that under normal circumstances, the tender submission would not have been received late.
- b) Materiel Management may:
 - i) Reject any tender submission that does not meet mandatory requirements stated within the tender documentation. Any tender submissions in which information is not legible are liable for rejection.
- c) The Supplier may:
 - i) Submit alternatives if allowed within the tender document. Where an alternative is offered, the supplier shall include a fully detailed description, which allows its technical acceptability, methodology, time and price to be fully assessed, and to state clearly the manner in which it differs from that specified. Separate prices are required for any alternative offers.

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8. Selection

a) Evaluation team members will:

- i) Possess the relevant skills and knowledge appropriate to the value and importance of the requirement, and be free of any ***conflict of interest*** which might undermine the objectivity of the assessment. Where conflict of interest is identified, affected individuals shall be disqualified from the evaluation process, a replacement shall be sought.
- ii) Be aware of the restrictions related to confidential information shared through the competitive process.
- iii) Refrain from engaging in activities that may create or appear to create a conflict of interest.
- iv) Sign a Conflict of Interest declaration and non-disclosure agreement.
- v) Complete an evaluation matrix rating each of the proponents; records of evaluation scores must be auditable.
- vi) Be aware that everything they say or document must be fair, factual, and fully defensible and may be subject to public scrutiny.

b) The selecting Manager/Group will:

- i) Take into account the following criteria in determining the successful supplier:
 - Completeness (basic tender document compliance)
 - Conformity with specified requirements
 - Price in relation to the tender document
 - comparative evaluation based on achieving best value for money
 - past performance
 - local factors
 - total cost of ownership/whole of life cost
 - quality including equipment/method to be used
 - timeliness
 - alternative proposals and innovations where permitted
 - accessibility and senior friendly design and features where possible
 - environmental factors
 - known commitments
 - financial capability and technical and managerial capacity.
- ii) Select only the highest ranked submission(s) that have met all mandatory requirements set out in the related procurement document. In responding to procurement documents, suppliers may sometimes propose alternative strategies or solutions to the Hospital's business needs. Unless expressly requested in the procurement documents, the manager/group must not consider alternative strategies or solutions proposed by a supplier and must establish criteria to evaluate alternative strategies or solutions prior to commencement of the competitive procurement process.

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- iii) Refrain, in compliance with the applicable trade agreements, including but not limited to the Canadian Free Trade Agreement (CFTA), from any discrimination or preferred treatment in awarding a contract to the preferred supplier from the competitive process.

c) Materiel Management will:

- i) Ensure that an agreement between Cornwall Community Hospital and the successful supplier is defined formally in a signed written contract before the provision of the goods, services or construction commences.
- ii) Use the form of agreement/contract that was released with the procurement document to finalize the contract.
- iii) Obtain the supplier signatures before obtaining the designated hospital's signature when executing the contract.
- iv) Include in all contracts the appropriate cancellation or termination clauses and seek appropriate legal advice on the development of these clauses.
- v) Post, for purchases valued at \$100,000 or greater, in the same manner as the procurement documents were posted, the name(s) of the successful supplier(s):
 - Contract award notification must occur only after the agreement between the successful supplier and Cornwall Community Hospital has been executed.
 - The contract award notification must include the agreement start and end dates, including any options for extension.
- vi) Inform, for purchases valued at \$100,000 or greater, all suppliers who participated in the procurement process of their entitlement to a debriefing.
- vii) Allow unsuccessful suppliers 60 calendar days following the date of the contract award notification to request a debriefing.

d) Materiel Management may:

- i) Use a letter of intent, memorandum of understanding (MOU) or interim purchase order in situations where an immediate need exists for goods or services and the purchasing organization and the supplier are unable to finalize a contract to allow for the immediate needs to be met, while final negotiations take place towards finalizing the contract.

9. Contract Management

a) The appropriate authority level will:

- i) 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.
- ii) 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.

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- iii) Ensure that expenses are claimed and reimbursed only where the contract explicitly provides for reimbursement of expenses.

b) Materiel Management will:

- i) Manage procurements and the resulting contracts responsibly and effectively.
- ii) Ensure payments are 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.
- iii) Document assignments properly. Supplier performance must be managed and documented, and any performance issues must be addressed.
- iv) Include a dispute resolution process in contracts as to manage disputes with suppliers throughout the life of the contract.
- v) 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.

10. Conflict of Interest

a) Materiel Management will:

- i) Consider any conflicts of interest during procurement activities applicable to all employees, advisors, external consultants or suppliers.
- ii) Require any individual involved in supply chain-related activities to declare all actual or potential conflicts of interest.

11. Compliance

- a) Materiel Management will monitor compliance and report to the Senior Administration Team any instance of non-compliance with the Broader Public Sector Procurement Directives and this policy
- b) Accounts Payable will monitor compliance and report to the Senior Administration Team any instance of non-compliance in following our Expense Authorization policy FN 10-025 and the exceptions for purchase requisitions/orders outlined in section 2. h) of this policy.

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APPENDICES:	Appendix A - Single/Sole Source Justification Form	
REFERENCE DOCUMENTS:	Ministry of Finance, Broader Public Sector Procurement Directive Expense Authorization Policy FN-10-025	
REPEALED POLICIES:	CCH Policy No. FN 10-075 – Tenders and Proposals	
APPROVAL PROCESS:	Senior Administration Team – 2023-10-12 Finance and Audit Committee – 2023-10-30 Board of Directors – 2023-11-23	
APPROVAL SIGNATURE:		Jeanette Despatie Chief Executive Officer

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SINGLE/SOLE SOURCE JUSTIFICATION FORM

By signing this form, you are requesting to waive the competitive bid process and have CCH award a contract directly to a particular supplier¹. As a public hospital, CCH must abide by Ontario law for all purchasing that it makes. CCH is funded by the taxpayer, therefore as a custodian of the public purse, you must follow CCH policies FN-10-050 (Corporate Purchasing Policy) and CCH FN-10-025 (Expense Authorization Policy) and comply with all Ontario laws and regulations that apply. When CCH buys, it must solicit multiple (more than 2) competitive proposals for all goods and services. Competitive procurement for goods and services is a shared responsibility across all departments. If you have questions, please contact Materiel Management.

- For procurements over \$10,000, 3 written quotes forwarded to Materiel Management is mandatory;
- For procurements over \$121,200, a formal and open/competitive procurement process is mandatory.
- The President & CEO must approve all consulting services.

If you deviate from the above, you must complete this form so that appropriate signatures can be documented in accordance with CCH policies and Ontario law. Please complete this form and submit to Materiel Management.

Requestor: (CCH Employee Name): _____

Title: _____

Department: _____

Signature: _____

Request for: GOODS CONSTRUCTION SERVICES CONSULTANT LICENSE

OTHER Please specify:

Value of quote (including all years in contract term): \$ _____

Vendor Company Name: _____

Funding Source: OPERATING CAPITAL CONSTRUCTION ONE-TIME OTHER (Please specify):

Identify non-competitive procurement type: SOLE SOURCE SINGLE SOURCE NON APPLICATION

Specify the exception code letter: (see appendix for Exception Codes) _____

Explanation of situation:

Signature & Approvals¹:

Dept. Director: _____

VP, COO, CFO: _____

Date: _____

Date: _____

Director of MM: _____

CEO: _____

Date: _____

Date: _____

¹ Ontario law through BPSAA and BPSPD Mandatory Requirement #2 requires that prior to commencement, any non-competitive procurement of goods or non-consulting services must be approved by a CCH authority one level higher than what is required normally. See Capital, Construction and other thresholds as set out in CCH policy FN-10-025.

NON-COMPETITIVE PROCUREMENT – EXCEPTION CODES

Sole Source - Only one supplier exists that meets the requirements

- a. To ensure compatibility with existing products, or to maintain specialized products that must be maintained by the manufacturer or its representative (CFTA Art. 513 (b) (v));
- b. 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 reasonable alternative or substitute exists (CFTA Art. 513 (b) (iii));
- c. For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly or for the protection of patents, copyrights, or other exclusive rights (CFTA Art. 513 (b) (ii) (iv));
- d. For the purchase of goods on a commodity market (CFTA Art 513 1 (e));
- e. For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor (CFTA Art 513 1 (b) (vii));
- f. 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 (CFTA Art 513 1 (b) (vi));
- g. For a contract to be awarded to the winner of a design contest (CFTA Art 513 1 (h));
- h. For the procurement of a prototype of 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 (CFTA Art 513 1 (f));
- i. For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases (CFTA Art 513 1 (g));
- j. For the procurement of original works of art;
- k. For the procurement of subscriptions to newspapers, magazines or other periodicals; and
- l. For the procurement of real property.

Single Source - Multiple suppliers exist, but only one can meet the requirements

- m. Where an unforeseeable situation of urgency exists and the goods or services cannot be obtained in time by means of open procurement procedures. (CFTA Art 513 1 (d))
Failure to plan and allow sufficient time for a competitive procurement process does not constitute an unforeseeable situation of urgency.
- n. For additional deliveries by the original supplier of goods or services that were not included in the initial procurement, if a change of supplier for such additional goods or services: (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services, or installations procured under the initial procurement; and (ii) would cause significant inconvenience or substantial duplication of costs for CCH (CFTA Art 513 1 (c));
- o. Where compliance with the open tendering provisions set out in the BPS Procurement Directive would interfere with CCH's ability to maintain security or order or to protect human, animal or plant life or health (OQCTA Art. 9.5, 1 (a) and (b));
- p. Where goods or 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 (CFTA Art 513 1 (i));
- q. Where a contract is to be awarded under a cooperation agreement that is financed, in whole or in part, by an international cooperation organization, only to the extent that the agreement between the entity and the organization includes rules for awarding contracts that differ from the obligations set out in the BPS Procurement Directive;
- r. In the absence of a receipt of any bids in response to a call for proposals or tenders made in accordance with the BPS Procurement Directive.

Non-Application – (a non-application clause exists under the CFTA, CETA or OQCTA trade agreements)

- Na1. Procurement of goods intended for resale to the public;
- Na2. Contracts with a public body or a non-profit organization;
- Na3. Procurement of goods and services purchased on behalf of an entity that is out of scope of the BPS Procurement Directive;
- Na4. Procurement from philanthropic institutions, prison labour or persons with disabilities;
- Na5. Procurement of any goods the inter-provincial movement of which is restricted by laws not inconsistent with the trade agreements;
- Na6. Procurement of goods and services that is financed primarily from donations that are subject to conditions that are inconsistent with the BPS Procurement Directive;
- Na7. Procurement of goods and services related to cultural or artistic fields and computer software for educational purposes;
- Na8. Procurement of services that in Ontario may, by legislation or regulation, be provided only by any of the following licensed professionals: medical doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, accountants, lawyers and notaries;
- Na9. Procurement of services of financial analysts or the management of investments by organizations who have such functions as a primary purpose;
- Na10. Procurement of financial services respecting the management of financial assets and liabilities (i.e., treasury operations), including ancillary advisory and information services, whether or not delivered by a financial institution;
- Na11. Procurement of goods and services for use outside Canada as well as construction work done outside Canada.

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Reference: CCH Policy No. FN 10-050 – The Corporate Purchasing Policy (Appendix A)