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### Purpose

To ensure an open, transparent, accountable and fair competitive process for Muskoka Algonquin Healthcare (MAHC or the hospital) procurement 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 needs of MAHC while ensuring value for money and responsible spending of public funds.

### Scope

The policy pertains to all staff members and credentialed staff at MAHC.

### Policy Statement

It is the policy of MAHC to establish structured procurement processes to ensure the best possible value for the purchase of goods, equipment, services and construction is secured.

It is the policy of MAHC 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 preidentified 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

**Approval Authority:** The authority delegated certain positions to allow them to approve one or more procurement activities up to a specified dollar limit.

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**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.

**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.

**Capital Equipment:** Equipment over \$2,000 and a life span of greater than one year is considered capital and must follow the capital planning process. Only capital approved by the Capital Planning Committee will be considered for purchase.

**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.

**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

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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 predefined 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

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is measured to select the best supplier through a competitive process. Criteria may be qualitative or quantitative in nature

**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.

**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 \$15,001 and \$119,999.

**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 vendors capable of delivering the same goods or services. Also referred to as Single Sourcing.

**Non Application Procurement:** Those circumstances under which the CFTA Chapter Five, Government Procurement, rules do not apply. Also referred to as Sole Sourcing.

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

**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.

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

**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.

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**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.

**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

**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, 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

## **PROCEDURES**

### **PROCUREMENT THRESHOLDS & PROCESS DETERMINATION:**

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

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MAHC shall conduct open, competitive procurements where the estimated value of the procurement of goods, services or construction is \$120,000 or greater.

<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- \$119,999	Purchases between \$15,001 and \$119,999 require three written quotes or proposals in the form of an invitational RFx
Greater Than \$120,000	Must be an open competitive process publicly advertised in accordance with the BPS Procurement Directive

For the procurement of goods, services or construction with an estimated value less than the thresholds above, an open competitive procurement may be considered, but at minimum an Invitational Competitive Procurement requesting suppliers to submit a bid in response to the organization's requirements shall be followed.

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. A division of requirements into multiple procurements to reduce the value of a single procurement and avoid the application of the identified thresholds is not permitted.

## **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 MAHC's Travel and Business Expense policy for eligibility and amounts and must be pre-approved.

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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.

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

<b>Consulting Services</b>	
Less than \$119,999	Services under \$119,999 require three responses in the form of an invitational competitive Rfx. The Rfx is not required to be advertised publicly.
Greater than \$120,000	Must be an open competitive process. RFP must be publicly advertised in accordance with the BPS Procurement Directive.

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.

## 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, 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.

## PROCESS FOR ISSUING COMPETITIVE DOCUMENTS (INVITATIONAL OR OPEN)

Competitive Rfx documents for both invitational and open competitive processes must include:

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- 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.
- 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 MAHC may be disclosed by MAHC where it is obliged to do so under 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 \$120,000 or more:

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

## ADVERTISING & POSTING COMPETITIVE DOCUMENTS

All requests for open competitive procurements shall be made through an electronic tendering system that is equally accessible to all suppliers.

Advertising and posting practices during a competitive process must utilize accepted mediums in order to uphold the principles of fair, open and transparent dealings; to encourage maximum competitive response; and to ensure that suppliers have a positive experience in dealing with the Purchasing Department.

Calls for open competitive procurements for construction projects can be made through an electronic tendering system and/or publication in one or more predetermined daily newspapers that are easily accessible to all Canadian suppliers.

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Accepted electronic tendering systems include MERX and/or Biddingo.

### **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 45 days, for procurements valued at \$120,000 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 consider the complexity of the procurement and the time needed by MAHC to properly disseminate the information. Suppliers must be given enough time to prepare a sufficient response to the competitive process.

The goal of the competitive process should be to receive the highest number of quality bids possible, so as to maximize the organizations' ability to achieve better value for money.

### **INFORMATION GATHERING TOOLS**

The information gathered during an information gathering process will help to plan a fair and cost-effective procurement process, define the requirements for the procurement document or identify where there are qualified or interested suppliers. A response to an information gathering process must not pre-qualify a potential supplier and must not influence their chance of being the successful proponent on any subsequent opportunity. Information gathering processes must not result in an award or contract of any type.

**Request for Information (RFI)** – is used to gather general supplier or product information. An RFI is generally used when researching a contemplated procurement where it has not yet been determined what characteristics the ideal solution would have. Responses to an RFI contribute to the final version of a subsequent Request for Proposal (RFP).

**Request for Expression of Interest (RFEI)** - is used to gather information on supplier interest in an opportunity or information on supplier capabilities or qualifications. It is used to gain a better understanding of the capacity of the supplier community to provide the services or solutions needed.

**Request for Supplier Qualifications (RFSQ)** – is used to gather information on supplier capabilities and qualifications with the intent of creating a list of preferred vendors or Vendor of Record (VOR). The terms and conditions of an RFSQ must not create any obligation on the

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part of the hospital to actually call on any supplier as a result of the pre-qualification. The purpose of this process is to reduce the subsequent effort devoted to future competitive processes.

An RFSQ should contain the following:

- Clearly define the type of materials or services included as part of the process.
- Set upper limits to the value of future awards.
- Clearly indicate the time limit the list is to be valid.
- Indicate the method by which suppliers can be placed on the list and at what specific intervals opportunities for being qualified will come up.
- Indicate that suppliers who do not participate in the pre-qualification or do not appear on the list may be excluded from opportunities.
- If the preferred supplier list is to be used for procurements over \$120,000, a supplier that meets the conditions for registration on the list must be able to register at any time.

## INFORMATION GATHERING PROSESSES

Information Required	RFI	RFEI	RFSQ
General Supplier or Product Information	X		
Information on Supplier Interest in Opportunity		X	
Information on Supplier Capability / Qualifications		X	X
Pre-Qualified Vendor List			X

Information gathering processes should not ask for proprietary information from suppliers. All information gathering documents should be posted using electronic tendering methods in order to reach the largest population of potential suppliers.

## BID EVALUATION TEAM

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. All Evaluation Team members must sign a conflict-of-interest declaration and non-disclosure agreement prior to participating in the evaluation process.

Every competitive process requires an evaluation team that will be responsible for reviewing all compliant bids and scoring each of those bids. The evaluation team will be different for each

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competitive process depending on the expertise required to help make the decision.

Evaluation team members should be selected and their participation confirmed before the competitive documents have been posted. Ideally the evaluation team members will have been included in the development of the evaluation criteria and weighting. Evaluation teams should be composed of an appropriate mix of both end-user subject matter expertise, management and financial expertise. Representatives of the Procurement Department will act as administrators of the evaluation process to ensure that all aspects of the competitive process have been met and that a proper evaluation is conducted.

An Evaluation Team Lead should be selected by the evaluation team members to be responsible for the clinical or technical evaluation process and ensure all timelines have been met.

All evaluation team members will receive an evaluation process guidebook outlining their responsibilities and to assist them in their role in the evaluation process.

## 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.

Conflict of interest is:

- Having relationships that may affect or may be perceived to affect objectivity
- Providing assistance or advice to a vendor participating in a competitive process
- Having an ownership, investment interest or compensation arrangement with any entity participating in a competitive initiative
- Having access to confidential information that may affect or may be perceived as affecting objectivity
- Providing advice regarding the development of competitive procurement documents/ specifications and responding as part of the competitive process.

All employees, Consultants, and others authorized to purchase on behalf of MAHC are required to declare any perceived, actual or potential conflicts of interest

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Prospective and/or successful proponents are also required to declare any perceived, actual or potential conflicts of interest either during the procurement process, or during the performance of their contractual obligations

MAHC reserves the right to solely determine whether a situation constitutes a conflict and to take appropriate actions to resolve this including:

- Disqualify prospective vendors from a procurement process due to conflict of interest.
- 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 MAHC.
- 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 MAHC Procurement Department, in collaboration with senior leadership, to determine whether or not it shall be deemed a conflict

## **BID RECEIPT**

All responses to a competitive procurement process must be submitted and received by the hospital by the closing time specified in the competition document. MAHC shall ensure that the closing date is set on a normal working day (Monday to Friday, excluding provincial and national holidays). Submissions that are delivered after the specified closing time will not be considered.

The process for opening paper bids is as follows:

- Stamp each bid as it arrives with the date, time, location, and company name.
- All bids must remain sealed until after the competitive process has closed.
- At least one witness shall be present to view all bid openings.
- All bids shall be opened following the same process that was documented in the competitive documents.

## **EVALUATION CRITERIA**

To ensure a fair and consistent evaluation process is followed when evaluating bids in a competitive procurement process, every competitive process must establish evaluation criteria. The evaluation criteria will be used to decide which bid should be selected from the competitive process.

Evaluation criteria must be developed, reviewed and approved before the competitive process

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begins. These criteria must be included in the competitive documents. The competitive documents must also identify those criteria that are 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.

The evaluation criteria cannot be changed or altered once the competitive process has begun, except through the issue of a formal addendum.

In establishing the evaluation criteria and weighting the evaluation criteria, the hospital will not unduly favour an incumbent supplier or disadvantage non-incumbent suppliers.

Evaluation criteria will be comprised of three components: mandatory requirements, rated technical and clinical requirements, and price or cost requirements.

Evaluation criteria may take into account such things as: price; quality; quantity; transition costs; delivery; servicing; environmental considerations; the capacity of the supplier to meet the requirements of the procurement; experience; financial capacity of the supplier; and any other criteria directly related to the procurement. The hospital shall not request information from suppliers that will not be evaluated or affect the evaluation process.

## **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
- Suppliers who consult in the development of specifications or provide assistance in the development of specifications is prohibited from submitting a proposal for which those specifications apply

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## BID EVALUATION

To ensure a fair and consistent evaluation process is followed when evaluating bids in a competitive procurement process, the hospital must fully disclose the evaluation methodology and process to be used in assessing a supplier's submission.

The first step in the evaluation process is to ascertain whether submissions are compliant based on the mandatory requirements as set out in the competitive document. Materially non-compliant submissions must be rejected. Once the compliant submissions have been identified the hospital can proceed with the balance of the evaluation process.

A full disclosure of the evaluation methodology and process must include a clear articulation of all mandatory requirements. The competitive document must indicate if the mandatory requirements will be assessed on a pass / fail basis and indicate how suppliers achieve a passing grade. Where a supplier is disqualified for non-compliance with a mandatory requirement, no further evaluation should take place.

All weights, including sub-weights for rated requirements must be disclosed. If the hospital elects to include a minimum score as part of the evaluation process; and where a proponent fails to meet a stated minimum score for rated requirements no further evaluation should take place.

Suppliers must be informed of any short-listing processes, including any minimum rated score requirements. Suppliers must be informed of the role and weighting of reference checks, oral interviews and demonstrations.

The evaluation of price / cost must be undertaken only after completion of the evaluation of the mandatory requirements and any other rated clinical criteria for all bids.

## EVALUATION MATRIX

To ensure a thorough evaluation has taken place the hospital must ensure that each member of the evaluation team has completed an evaluation matrix or scorecard rating each of the proponents. Evaluators must be aware that everything they say or document must be fair, factual and fully defensible and may be subject to public scrutiny.

Records of evaluation scores must be auditable. All records of evaluation will be kept on file for a period of seven years as outlined in the Records Retention Policy.

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## SELECTION PROCESS

The hospital shall ensure that only the highest ranked submission(s) that have met all of the mandatory requirements set out in the competitive documents will be selected. In responding to competitive documents, suppliers may propose alternative strategies or solutions to the organization's business needs. Unless expressly requested in the competitive documents, the hospital must not consider alternative strategies or solutions proposed by the supplier.

Proponents can be asked for clarification on their bid as long as it does not change their bid in any way.

Where bids are received in response to a competitive process but either exceed the assigned budget; are not responsive to the requirements; or do not represent fair market value; a revised solicitation can be issued in an effort to obtain an acceptable bid.

If no bids are acceptable and it is not reasonable to go through any other method, the hospital may choose to negotiate directly with a chosen supplier.

Any proponent whose submission is rejected during the evaluation process will be notified of the rejection in writing as soon as practical after completion of the evaluation. 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.

## TIE SCORES

The method to resolve a tie score in an evaluation process must be identified in the evaluation criteria of the competitive documents. Tie breaking criteria are subject to the rules of non-discrimination as defined by hospital policy.

## NON-DISCRIMINATION

Procurement activities must reflect a commitment to open, transparent and non-discriminatory access to all suppliers as required by CFTA, CETA, and the Trade and Cooperation Agreement between Ontario and Quebec (OQTCA). The hospital must refrain from any discrimination or preferred treatment in awarding a contract to a preferred supplier or elimination from the competitive process unless justifiable based on the Building Ontario Business Initiative (BOBI) Act.

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The hospital may accord a preference for BOBI value-added, subject to the following conditions: the preference for Ontario value-added must be a minimum of 25% but no greater than 45% of the total evaluation score; the hospital shall specify in the competitive documents the level of preference to be used in the evaluation of the bid; and all qualified suppliers must be informed through the competitive process of the existence of the preference and the rules applicable to determine the Ontario value added.

The hospital may limit its competition to Canadian goods or suppliers provided the following conditions are met: the hospital must be satisfied that there is sufficient competition among Canadian suppliers; all qualified suppliers must be informed of the existence of the preference and the rules applicable to determine Canadian content; and the requirement for Canadian content must be no greater than necessary to qualify the procured goods or service as a Canadian good or service.

The hospital will be cognizant of the social rights extended to all people, including the conventions of the International Labour Organization with respect to labour standards, and will encourage and support supplier diversity.

Decisions that are based on discrimination may be subject to bid protests or disputes from those proponents feeling that the process may have been unfair or biased.

Practices that are inconsistent with this policy and are not permitted include the following:

- The biasing of technical specifications in favour of, or against, particular goods services or suppliers.
- The timing of events in the competitive process so as to prevent suppliers 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 suppliers from meeting the requirements of procurement.
- The division of required quantities or the division of budgetary funds to subsidiary agencies in a manner designed to avoid these obligations.
- The use of price discounts or preferred margins to favour particular suppliers.

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## VENDOR DEBRIEFING

The hospital shall inform all suppliers who participated in a procurement process valued at \$120,000 or greater, of their entitlement to a debriefing. The details of the vendor debrief, including the process for booking debrief sessions at the conclusion of the procurement process, shall be included in the competitive documents. The hospital must allow suppliers 60 calendar days following the date of the contract award notification to respond. The hospital shall 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.

## DEBRIEF PROCEDURE

- The date and time of the debriefing session shall be confirmed in writing.
- Conduct separate debriefings with each vendor.
- Ensure that the same participants from the hospital participate in every debriefing session conducted.
- All correspondence and documentation relevant to the debriefing session must be retained as part of the procurement documentation.
- Provide a general overview of the evaluation process as set out in the procurement document.
- Discuss the strengths and weaknesses of the supplier's submission in relation to the specific evaluation criteria and the suppliers evaluated score.
- Provide suggestions on how the supplier may improve future submissions and address specific questions and issues raised by the supplier in relation to the submission.
- The hospital must not disclose information concerning other suppliers, other than as specified above, as it may contain confidential third-party organization proprietary information.
- Questions unrelated to the procurement process must not be responded to during the debriefing and must be noted as out of scope based on the debriefing process agreed to in the procurement documents.

The hospital shall communicate the bid protest and contract dispute procedures for suppliers in all competitive procurement and contractual documents to ensure that any dispute is handled in a reasonable and timely fashion.

## BID PROTESTS

In the event that a Proponent wishes to review the decision of the Purchasing Organization in respect of any material aspect of the RFP process, and subject to having attended a debriefing, the

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Proponent shall submit a written protest to the Purchasing Organization within 10 Days from such a debriefing.

Any Protest that is not received within the foregoing timeframe will not be considered and the Proponent will be notified of same in writing.

A Protest shall include the following:

- A specific identification of the RFP provision and/or procurement procedure that is alleged to have been breached.
- A specific description of each act alleged to have breached the RFP provision and/or procurement procedure.
- A precise statement of other relevant facts.
- An identification of the issues to be resolved.
- The Proponent's arguments and supporting documentation.
- The Proponent's requested remedy.

## **PURCHASE ORDERS & COMMITMENTS TO PURCHASE**

The issue of a Purchase Order (PO) is a formal contractual intent to purchase made between the hospital and the vendor.

- All tangible goods and services shall be purchased via the issuance of a Purchase Order.
- All authorizations shall be in accordance with approved signing authority levels of approval.
- Signed requisition or other proper authorization (i.e. email) with correct cost centre number shall be forwarded to Purchasing who will issue the Purchase Order. Only designated Purchasing Department staff have the authority to issue a Purchase Order on behalf of the hospital.
- All terms and conditions of the Purchase shall be arranged by Purchasing and are considered to be binding by both parties upon execution of the Purchase Order. Any variance from these terms must be brought to the attention of Purchasing who will resolve these with the vendor on behalf of the hospital.
- Where physically possible, all capital equipment shall be assigned a unique hospital asset tag which will be affixed to the equipment upon receipt. If equipment arrives in the Department without the appropriate hospital ID tags, it is the responsibility of the Department Manager to obtain these tags from Purchasing prior to first use.
- All medical and electrical equipment will undergo an inbound inspection by Facilities and / or

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## GROUP PURCHASING ORGANIZATIONS (GPO)

MAHC participates in Group Purchasing practices and contracts to provide greater purchasing efficiency, product standardization, cost benefit and contract harmonization. MAHC procurement personnel will facilitate, co-ordinate and engage the MAHC end user participation in the development, evaluation and management of GPO contracts.

## PROCUREMENT DOCUMENTS AND RECORDS RETENTION

All procurement documents, as well as any other pertinent information for reporting and auditing purposes must be retained for a period of seven (7) years and be in a recoverable form if requested.

## SEGREGATION OF DUTIES

The segregation of duties prevents any one person from controlling the entire Purchasing process by segregating approvals for key stages of the supply chain process.

There are typically five procurement roles that require segregated approval. These include: requisitioning; budget management; commitment; receiving and payment. Responsibilities for these functions must lie with different departments or at minimum with different individuals.

All authorizations shall be in accordance with approved signing authority levels of approval.

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The framework for the segregation of duties shall be as follows:

<b>Roles</b>	<b>Explanation</b>	<b>Responsible Party</b>	<b>Supporting Documentation</b>
Requisitioning	Documentation or authorization for the supply chain department to initiate and place an order.	Customer or end user requesting the product or service.	Signed Requisition / Email or Electronic SAP List
Budget Management	Confirmation that the funding is available to cover the cost of the order.	Department Manager; Manager Finance; Manager Materials Management	Budget Cost Centre Report; Approved Capital Planning Report
Commitment	Authorize the release of the order to the supplier under agreed upon terms and conditions.	Purchasing Department	Signed Purchase Order or Proof of Order for Credit Card purchases
Receipt	Confirmation that the order was physically received, in good condition and complete as per the Purchasing commitment document.	Receiving Department	Receiving Report Vendor Packing List
Payment	Authorize release of payment to the supplier.	Account Payable / Finance	3 Way Match of Invoice; PO or Proof of Order; and Receiving or Signature of authorized signing authority.

## CONTRACT AWARD NOTIFICATION

In all open and invitational competitive procurement processes, once the preferred supplier has been selected and the contract has been awarded and signed, the hospital shall notify all proponents that a contract has been signed and the competitive process is complete.

For purchases valued at \$120,000 or greater the hospital must post, 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 the hospital has been executed.

The contract award notification must include the agreement start and end dates, including any options for extension.

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For purchases valued at less than \$120,000 the hospital may choose to notify the unsuccessful proponents via email, communicating that a decision has been made and thanking them for participating in the competitive process.

## EXECUTING THE CONTRACT

To protect the resources of the hospital, once the competitive process has been completed and the preferred supplier has been selected, the agreement between the hospital and the successful supplier must be defined formally in a signed written contract or Purchase Order before the provisions of the goods, services or construction commences.

MAHC will use standard Agreement templates for each competitive procurement document. 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.

The contract should be finalized using the form of agreement that was released with the procurement documents and as amended through agreement between the parties during negotiation. 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.

Final execution of the document is through signature by the designated signing authority based on the value of the contract as outlined in the Hospital Signing Authority Policy. The hospital should obtain the supplier signatures before obtaining the designated hospital signatures.

Contract acceptance identifies the criteria that needs to be met in order for all parties involved to be satisfied that the contract has been successfully completed.

In situations where an immediate need exists for goods or services and the hospital is unable to finalize a contract, a letter of intent, memorandum of understanding (MOU) or interim purchase

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order may be used. This will allow for the immediate needs to be met, while final negotiations take place towards a final contract.

## CONTRACT TERM & EXTENSIONS

Automatic renewals (evergreen clauses) are not best practice and should be avoided. The terms of the agreement and any options to extend the agreement must be set out in the procurement documents. 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 was set out in the procurement document are considered non-competitive procurements and must have the appropriate Limited Tendering Approval Authority prior to proceeding.

## CONTRACT CANCELLATION

All contracts must include appropriate cancellation or termination clauses. For goods and services procured as part of a larger project, construction project or IT project, the contract should contain clauses that permit cancellation or termination at critical project life-cycle stages.

## SERVICE CONTRACTS

For services, MAHC 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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## CONTRACT DISPUTES

All contracts must have a dispute resolution process built in to manage disputes throughout the life of the contract. Any dispute that arises during the terms of a contract shall follow the process as stipulated in the contract and agreed to by all participating parties.

For contracts with international suppliers, the dispute resolution process shall state that arbitration will take place in Canada.

## 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, MAHC should include a dispute resolution process in their contracts.

All contracts will have an owner. The owner, in collaboration MAHC procurement personnel, are responsible for planning, acquisition, approval, payment and management oversight of the terms of the contract.

All contracts for goods and services should be reviewed, approved and authorized with respect to language by the Materials Management Department and if required, by MAHC's Legal Counsel. Department Managers remain responsible for economic terms and operational content of contracts.

MAHC Procurement Department will maintain a contract database for all in scope contracts. All contracts, with the exception of employment, physicians, construction and Ministry of Health

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contracts will be stored centrally in the Materials Management Department. 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 MAHC Procurement Department.

## NON-COMPETITIVE PROCUREMENT

MAHC 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 MAHC Limited Tendering Approval Form must be completed and approved within the Signing Authority Policy. When procurement is made on an exception basis, the decision to modify the standard process must be documented using MAHC's Limited Tendering Approval Form. The MAHC Procurement Department should be consulted for proper use of the exceptions. The Director of Materials Management must approve documentation before senior leadership approval is obtained

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

## PROCUREMENT CODE OF ETHICS

The MAHC 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.

Refer to Supply Chain Code of Ethics Policy for details. Individuals involved with purchasing or other supply chain activities must comply with this Code of Ethics and the laws of Canada and Ontario.

## Notes

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		<b>Policy/Procedure Name:</b>	<b>Procurement Policy</b>
<b>Manual:</b>	Administration	<b>Number:</b>	
<b>Section:</b>	Materials Management	<b>Effective Date:</b>	10 DEC 2024
<b>Pages:</b>	26 of 29	<b>Revision Date:</b>	

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Note to archives: this policy created November 2024 replaced the following historical policies:

- Bid Evaluation Non-Discrimination
- Bid Evaluation Team
- Bid Protests and Contract Disputes
- Bid Receipt and Evaluation Process
- Contract Award Notification
- Executing the Contract
- Information Gathering Tools
- Procurement Documents and Records Retention
- Procurement Process Determination
- Purchase Orders & Commitments to Purchase
- Segregation of Duties
- Vendor Debriefing

### **Cross References**

Conflict of Interest Declaration and Non-Disclosure Agreement

Evaluator Handbook

Signing Authority Policy

Limited Tendering Approval Template

Supply Chain Code of Ethics

### **Relevant Legislation**

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)

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Freedom of Information and Protection on Privacy Act (FIPPA). Found at:  
<http://www.accessandprivacy.gov.on.ca/english/act/index.html>

CFTA: Found at: <https://www.cfta-alec.ca>

CETA: Found at: <http://www.international.gc.ca/trade-commerce/tradeagreements-accords-commerciaux/agr-acc/ceta-aecg/index>.

Building Ontario Business Act 2022: Found at: [www.ontario.ca/laws/regulation/230422](http://www.ontario.ca/laws/regulation/230422)

Broader Public Sector Expense Directive 2020: Found at:  
[www.onatrio.ca/page/broader-public-sector-expense-directive-2020](http://www.onatrio.ca/page/broader-public-sector-expense-directive-2020)

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.

## **Appendices**

Appendix 1 – Document Consultation & Approval Tracking Record

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## Appendix 1 – Document Consultation & Approval Tracking Record



MUSKOKA ALGONQUIN  
HEALTHCARE

### Document Consultation & Approval Tracking Record

**Document Title:** Conflicts of Interest & Purchasing Gifts

**Document Status:**

- ☒ New  
☐ Revision of Existing  
☐ Reviewed, no edits required

**Document Type:**

- ☒ Policy/Procedure  
☐ Protocol/Guideline  
☐ Standard Operating Procedure  
☐ Medical Directive  
☐ Order Set  
☐ Other: \_\_\_\_\_
- ☐ Clinical Pathway  
☐ Order Set  
☐ Standard of Care  
☐ Rules & Regulations  
☐ Form

**Development Team** (list the names and designations of those involved in the development/review of the document):

Name	Designation
Jo-Anne Chandler	Director Materials Management
Broader Public Sector Directive Requirement	

**Scope of Document:**

- ☐ Department specific  
☐ Two or more departments/services  
☒ Corporate/Hospital-wide

**Groups Impacted by Document:**

- ☐ Nursing  
☐ Credentialed Staff  
☐ Clerical/Support Staff
- ☒ Administration  
☒ All Staff/Credentialed Staff
- ☐ Allied Health (specify):  
☐ Support Staff (specify):  
☒ Other (specify): Anyone Participating in a Procurement Project

**Consultation Phase** (list below the stakeholders/committees that will provide feedback and input into the document prior to submission to the Signing Authority for final approval):

Stakeholder/Committee	Date Consulted	Feedback/Comments	Development Team Response

**Education & Communication Plan:** (select all that apply)

Tool(s) / Method(s)	Timeline for Completion	Lead Responsible
<input checked="" type="checkbox"/> Huddles/Staff meetings	Ongoing As Required	Director Materials Management
<input type="checkbox"/> Education Blitzes		
<input type="checkbox"/> Learning Management System (LMS) Module		
<input type="checkbox"/> Posters		
<input checked="" type="checkbox"/> Electronic Mail	Ongoing As Required	Director Materials Management
<input type="checkbox"/> Communication Binder		
<input checked="" type="checkbox"/> Department Meetings		
<input type="checkbox"/> Frequently Asked Questions (FAQ)		
<input type="checkbox"/> Memo		
<input type="checkbox"/> MAHC Matters		
<input type="checkbox"/> Other: RFP Project Meetings	Ongoing As Required	Director Materials

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		Management or Shared Services Representative
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**Approval Phase** (for list of Signing Authorities, view the “Policy, Procedure and Guideline Development” policy):

Signing Authority:

Date Review:

☐ Approved

☐ Not Approved

Comments:

<div>DOCUMENT MANAGEMENT SYSTEM INFORMATION</div> <div>(complete for the purpose of uploading to the DMS via executive assistant/document support person assigned to portfolio)</div>
<div>1. Category(manual/section):</div> <div>Administration / Materials Management</div>
<div>2. Key Words: <i>(Indicate if there are any additional key words or common words used by staff to reference the document that should be added beyond what is currently in the purpose or policy statements.)</i></div> <div>Procurement / Materials Management / BPS / Supply Chain</div>
<div>3. Is this document an ROP (Required Organizational Practice):</div> <div>Yes</div>
<div>4. Is there a preferred URL or external link:</div> <div>No</div>
<div>5. Who will be accountable for leading any policy review?</div> <div>Director/Manager Materials Management</div>
<div>6. Review Period: <i>(Indicate is the review period is less than three year. All documents must be reviewed at least every three years.)</i></div> <div>3 YEARS</div>

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