

Purchasing



Policy #	FIN-09	Date Created	February 2012
Authority	MANAGEMENT	Date of Last Review	September 2018

POLICY:

To establish and maintain internal control over the acquisition of goods and services.

SCOPE:

All employees involved with Country Roads Community Health Centre purchasing of goods and services.

PROCEDURE

The practice for purchasing goods and services by Country Roads Community Health Centre is in accordance with Ministry guidelines, including the Transfer Payment Accountability Directive dated August 31, 2007, and sound financial practices, recorded within the financial statements using Generally Accepted Accounting Principles, and the Supply Chain Code of Ethics.

Regular Purchases: Regular purchases are those goods and services purchased in bulk and/or regularly from suppliers with whom the Corporation has an open credit agreement. Examples include stationery, office supplies, medical supplies, equipment maintenance contracts, and telephone answering service. The Executive Director is responsible for ensuring the Corporation obtains the most cost effective price when securing goods and services.

Office Supplies:

Requests from employees are forwarded to the Administrative Assistant who determines the supplier based on value for money and ensures the request is within the approved budget. Following receipt, the Administrative Assistant will keep a copy of the purchase order along with the packing slip.

Medical Supplies:

Requests from employees are forwarded to the clinic assistant who determines the supplier based on the best value for money, ensures the request is within the approved budget, and completes a purchase order, forwarding a copy to the supplier. Following receipt, the clinic assistant forwards a copy of the purchase order along with the packing slip to the Administrative Assistant.

Occasional Purchases: Occasional purchases are those goods and services purchased at irregular intervals from suppliers who offer the best value and/or service for the money spent. Examples include office furniture, computers, program supplies, new or major repairs to an office system, i.e., telephone. The Executive Director may approve occasional purchases at his/her discretion, in accordance with comparative shopping, calls for tenders and provided that

the necessary funds are within allocated resources or supplementary funds have been approved or received.

The Executive Director is authorized to make any single expenditure up to \$5,000.00 that is not included in the approved budget. The expenditure must be reported to the Finance Committee of the Board with supporting information that demonstrates dollars were available to support the expense and that the expenditure is in keeping with funder requirements and the Corporation's strategic goals.

All capital items over \$5,000 (i.e. equipment, leasehold improvements, renovations) require the written approval from the Ministry of Health and/or SELHIN and three quotes are kept on file for these items.

The purchase of supplies, equipment or services valued at over \$25,000 and any amount for consulting services shall be procured through a competitive bid process, i.e. invitational or open competitive process that ensures the best value for funds expended. Assets purchased at a cost which exceeds \$25,000 at the time of purchase must be reported to the LHIN annually. The Executive Director determines which bid process will be used in the circumstances. There are three types of bid process:

Public Tender:

A public tender is a formal solicitation document inviting binding proposals for delivery of goods, services and construction. The public tender process will assess the total evaluated cost for each offer including assessment of maintenance, ongoing operating costs such as consumables and warranty details. In a tender, the requirements are clearly defined with price, work schedule and delivery, representing some of the evaluation criteria. All suppliers who submit a bid will be informed of the award results.

Request for Proposals:

A request for proposals is a process used primarily for those situations where there are no generic specifications or requirements and the purchaser wants to obtain products or services which best meets their needs. For example, there may be differences in the materials or equipment configuration, which are proprietary to a particular supplier. Such differences can impact on the proposed solution to meet Country Roads Community Health Centre's needs. In such instances, bidding suppliers are asked to provide a detailed recommendation on how the project should proceed and a breakdown of the goods or services required. The process for issuing a request and receiving proposals is the same as for public tenders.

Public Vendor Qualifications:

A public vendor qualification is a process during which vendors are pre-qualified before they are able to participate in a bid process. This document solicits vendors for the purpose of identifying and pre-qualifying capable vendors based on specific criteria. All communication with potential suppliers must be made by the Executive Director. Communication outside of this process could undermine the integrity of the process resulting in a failed bid or proposal.

Contracts (Purchase of Service): Contracts are entered into when there is an advantage to Country Roads Community Health Centre by doing so. A full range of potential arrangements is investigated before entering into an exclusive contract. Legal assistance or advice is obtained if necessary for any non-standard clauses. All contracts entered into by Country Roads Community Health Centre are reviewed and approved by the Executive Director. As best practice, the contractor must provide proof of liability insurance and WSIB coverage where

appropriate. Each contract is witnessed, dated and signed. Country Roads Community Health Centre also ensures that a completed copy of the final contract is made available to all other signatories. The original contract is kept in a secure place at Country Roads Community Health Centre's office.

All purchase of service contracts must meet the Country Roads Community Health Centre's conflict of interest guidelines. Prior to the completion of the contract, the Executive Director or designate reviews and plans for the renewal or tendering of the contract following the above procedure.

As a minimum, each Purchase of Service contract entered into by Country Roads Community Health Centre shall provide the following information:

- The nature of the service
- The financial obligations agreed to
- The period of time that the contract covers
- The invoicing procedure, or a payment schedule
- A Termination clause
- A table of contents regarding the negotiated work plan
- Authorization by the Executive Director or equivalent on behalf of Country Roads Community Health Centre