



# RED LAKE MARGARET COCHENOUR MEMORIAL HOSPITAL

## -STATEMENT OF POLICY AND PROCEDURE-

<b>SUBJECT: SERVICES AND SUPPLIES PROCUREMENT AND ETHICS</b>		<b>DOC. ID#: ADM-FIN-II-12 BG-CEO-06</b>
<b>MANUAL: ADMINISTRATION BOARD OF DIRECTORS</b>		<b>ORIGINAL DATE: MAR 11</b>
<b>CATEGORY: FINANCE</b>		<i>LAST REVISION DATE: SEE ELECTRONIC COPY.</i>
<b>DEVELOPED BY: CEO AND BOARD OF DIRECTORS</b>	<b>APPROVED BY: CEO AND BOARD OF DIRECTORS</b>	<i>NEXT REVISION DATE: SEE ELECTRONIC COPY.</i>
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### 1. PURPOSE:

This policy provides guidance to Board and staff of the RLMCMH on procurement of supplies, services, and hiring of consultants. The policy further informs ethical practices and standards when engaging in supply chain activities. This policy also guides the incorporation of accessibility criteria and features into the procurement process as specified in the Accessibility for Ontarians with Disabilities Act (AODA).

### 2. SCOPE:

This policy encompasses the procurement of stock, non-stock, capital, and minor equipment by and for the Board of Directors and staff of RLMCMH. Through its adherence to Ontario's Broader Public Sector (BPS) Procurement Directive, this policy and procedure governs how RLMCMH conducts sourcing, contracting and purchasing activities, in accordance with delegated purchasing authority levels, competitive and non-competitive procurement, purchasing, contract awarding, conflict of interest and bid protest procedures.

### 3. POLICY:

1. The Board of Directors and staff of the RLMCMH must comply with the current version of the Supply Chain Guideline and the mandatory requirements contained within Ontario's Broader Public Sector (BPS) Procurement Directive Implementation Guidebook.

2. The Board of Directors and staff of the RLMCMH will consider general principles of accessibility in the procurement of goods, services and facilities in order to remove existing barriers and avoid creating new barriers. Accessibility criteria will be included in tenders/requests for proposals and evaluation processes whenever applicable. When applicable, scoring on bids will allow points for accessibility in addition to other criteria, such as costs, quality and timeliness. Where it is impractical for the hospital to incorporate accessibility criteria and features when procuring or acquiring specific goods, services or facilities, the hospital will provide a written explanation, on request.
3. The Hospital will ensure internal controls are in place with respect to segregation of duties i.e. requisition, receipts, payments.
4. All services and supplies will be purchased with the objective of obtaining the optimal benefit for funds expended with consideration to cost effectiveness, efficiencies, health and safety, quality, standardization, requirements of the department, fire safety, building codes, applicable legislation etc.
5. Procurements must be approved by the delegated purchasing authority level. Levels of authority correspond with job roles and levels of responsibility in the organization. The levels of authority are:

<b>Purchasing Policy</b>	
<b>Delegated Purchasing Authority Level</b>	<b>Total Purchase Amount</b>
Department Manager/Director	Up to \$2,500
CEO	From \$2,500 to \$100,000
CNE	From \$2,500 to \$20,000
Board of Directors	Greater than 100,000

6. All purchasing for the hospital, be it for equipment, office supplies, and general stores, shall be carried out by the purchasing department ONLY. Refer to policy ADM-FIN-II-03 on Requesting Purchases for further detail.
7. Whenever procurement practices deviate from the Supply Chain Guideline, rationale must be documented. Such documentation shall be maintained by the CEO or Executive Assistant to the CEO.
8. Where the value of the procurement is greater than \$100,000 the procurement must be addressed through the open competition process, as per Ontario's BPS Procurement Directive Implementation Guidebook.
9. Where decisions to deviate from the Supply Chain Guideline are being considered, rationale must be shared with the Board of Directors and a motion made to agree to the procurement. The "Procurement Approval Authority Form" should be utilized to document all details of the procurement.
10. Staff input via and client input, through the Patient and Family Advisory Committee (PFAC) will be included in procurement, purchasing decisions when relevant and feasible.
11. Group purchasing of services and supplies will be used where savings can be demonstrated and the

desired outcome can be achieved.

12. Purchase of supplies and services must be made locally where possible to support the local economy.
13. Services and supplies should be purchased from Canadian suppliers wherever possible before considering procurement from outside the country.
14. The Hospital will maintain a preferred suppliers list for non-competitive procurement purposes.
15. The Hospital will post compliance reports on its website.
16. Documentation concerning all procurement will be stored for a period of 7 years.
17. Procurements involving tenders will be maintained in a confidential manner locked in the CEO's office.

#### **ETHICS:**

Procurement practices must adhere to RLMCMH's Ethics Framework. In addition, specific considerations include:

- **Personal integrity and Professionalism**

All RLMCMH team members involved with procurement or other supply related activities must act and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to the supply chain activities between RLMCMH, stakeholders and suppliers. Confidential information must be safeguarded. Participants must not engage in any activity that may create or appear to create a conflict of interest, such as accepting gifts or favours, providing preferential treatment or publicly endorsing suppliers or products.

- **Accountability and Integrity**

Supply chain activities must be open and accountable. In particular, contracting and purchasing activities must be fair, transparent and conducted with a goal to obtaining best value for public money. RLMCMH's team must ensure that public sector resources are used in a responsible, efficient and effective manner.

- **Compliance and Continuous Improvement**

All RLMCMH team members involved in purchasing or other supply chain-related activities must comply with applicable legislation, including BPS Procurement Directives, and with the Hospital Ethics Framework. The RLMCMH team members involved in procurement should work to continuously improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels and to share leading practices.

#### **4. PROCEDURE:**

1. When an employee wishes to make a purchase they must discuss the need for the purchase with the department Manager. Refer to policy ADM-FIN-II-03 on Requesting Purchases for further detail.
2. The Manager will direct the employee to complete a "Purchase Requisition". The requisition must include the date, who requested the item, the quantity required, product code number and the description of the item. This also applies when repairs and servicing by an outside source is requested. The employee will forward the requisition to the Department Manager for approval.
3. The purchase requestor or Manager shall contact Northern Supply Chain to secure general information and quotations as needed.
4. Once the Manager receives the requisition, the manager will write in the account numbers to which the purchase will be charged.
5. The Board Chair, CEO or Manager with the most appropriate purchasing authority level authorizes the purchase by signing the purchase requisition.
6. The signatory of the purchase requisition forwards the signed requisition to the Purchasing Department. Purchasing verifies and confirms the pricing of the item, then creates a "purchase order" inclusive of a purchase order number.
7. The Purchasing Department sends completed purchase orders to the Finance Director or designate for final approval and to Northern Supply Chain, and keeps a copy.
8. Northern Supply Chain emails the purchase order to the appropriate supplier.
9. The Finance department receives complete invoice and documentation for payment. Invoices are forwarded to the Board Chair, CEO or Manager with the most appropriate purchasing authority level for final approval before processing for payment – these must be sent to appropriate department for coding and approval. Once signed off, the invoices can be processed through payable system for payment.
10. If a piece of equipment or supplies are required urgently, the purchasing department maintains a manual book of purchase order numbers that can be quickly communicated to the supplier. The appropriate information is then entered into the electronic system as soon as feasible.
11. Accessibility Criteria: The guideline 'Accessibility Criteria for Procurement and Planning' will be used in the determination of purchases of goods and services and planning of hospital services and sponsored events (**Appendix A**). Staff will consider any barriers the product or service might present for people with different types of disabilities and how the barriers can be avoided. Staff will consider general principles of accessibility such as:
  - **Accessibility:** can a person with a disability use the service/good at all?
  - **Equity:** can a person with a disability use the facility as easily as a person without a disability?

- **Adaptability:** can a user configure the item to meet their specific needs and preferences and will it work with common assistive technologies?

If a good, service or facility that meets the accessibility criteria cannot be found, or is impractical, a written explanation must be provided on request.

### **Issuing Payment**

- All payments are processed through the accounts payable system; terms are normally 30 days. Cheques are issued weekly. Cheques are kept in the Chief Executive Officer's office or office of the designate.
- A summary of cheques is submitted with the invoices to the CEO or designate for cross-reference along with the total monetary value of the cheque run and number of cheques required.
- Each batch must be signed off by Accounts Payable Clerk. Once the batch is signed off, the Chief Executive Officer will release and sign off for the number of cheques needed for the run – these will be listed in the Cheque Release Register.  
(See Appendix B)
- Any voided or destroyed cheques must be signed off by the Finance Clerk and listed on the Cheque Release Register.
- Before cheques are released, bank balances must be checked to ensure monies have been transferred to the appropriate account.

### **Petty Cash**

Petty Cash Funds will be set up in the kitchen and purchasing. Sufficient amounts of required funds, in assorted denominations will be allotted and periodic assessments will be made to adjust the amounts necessary to carry out the function.

The purchasing department maintains a small amount of petty cash (approximately \$850.00 – \$890.00) in a safe to utilize for air ambulance escorts and other small purchases. Receipts are kept and reconciled when cash gets low.

### **Petty Cash Procedure**

1. The purchasing department is advised of a purchase required by the manager through email.
  2. On a monthly basis, a disbursement form must be completed with all receipts attached.
  3. A summary form to balance your cash and receipts is to be completed and signed by the supervisor.
  4. Any cash variances should be reported to the Director of Finance.
  5. Once the above forms are complete, they are sent to the Accounts Payable Department.
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5. **AMENDMENT:** This policy may be amended by the CEO.

## 6. References

Ontario (2020). *Accessibility Rules for Procurement*. <https://www.ontario.ca/page/accessibility-rules-procurement>

Ontario (2016). *Accessibility for Ontarians with Disabilities Act, 2005*. <https://www.ontario.ca/laws/statute/05a11>

Ontario Ministry of Finance (2011). *Broader Public Sector Procurement Directive Implementation Guidebook*.

[https://www.doingbusiness.mqs.gov.on.ca/mbs/psb/psb.nsf/Attachments/BPSProc\\_procurement\\_implementation-eng/\\$FILE/bps\\_procurement\\_implementation.html#sec10](https://www.doingbusiness.mqs.gov.on.ca/mbs/psb/psb.nsf/Attachments/BPSProc_procurement_implementation-eng/$FILE/bps_procurement_implementation.html#sec10)

*Appendix A*  
**Accessibility Criteria for Procurement and Planning**

When buying and acquiring goods, services or facilities, consider the following questions to help meet accessibility standards:

**For goods**

- Can the product be used by someone:
  - in a seated position?
  - using one hand, with limited upper body strength?
  - with limited fine motor skills?
  - with vision loss or low vision?
  - with hearing loss?
- Does the product meet ergonomic standards?
- Can the product be customized to meet different needs?
- Are instructions for using the product clear and easy to follow?
- Are support materials (e.g., manuals or training materials) available in accessible formats at no extra charge?

**For services**

- Does the firm provide accessible customer service?
- Can the service provider accommodate the needs of people of all abilities? For example, if hiring someone to do research for you, do their surveys and interviews accommodate people with different types of disabilities?
- Will the company use accessible signage, audio and/or print materials? For example, if hiring an event coordinator, will they use high contrast signs for the event?

**For facilities**

- Can someone using a mobility aid (e.g., wheelchair or walker) move around the facility?
- Are signs placed at an accessible height?
- Does the facility have emergency procedures to assist people with disabilities?

**If accessibility is not an option**

If you cannot find or use an accessible product, service or facility, be prepared to:

- explain why
- provide your explanation in an accessible format or with communication supports, when requested

*Source:*

Ontario (2020). *Accessibility Rules for Procurement*. <https://www.ontario.ca/page/accessibility-rules-procurement>





