

Title:	General Procurement		
Owner:	Purchasing Manager	Department:	Purchasing
SLT sponsor:	CFO & VP, Corporate Services	Endorsed by:	N/A
Approval by:	Senior Leadership Team	Date:	January 2, 2024
Key words:	General procurement, requisitioning, purchasing, supply chain, code of ethics	Number:	
Original effective date: January 02, 2024	Reviewed date(s):		Revised date(s):
This document applies to:	<input checked="" type="checkbox"/> SMGH	<input type="checkbox"/> GRH	
Document type	<input checked="" type="checkbox"/> Policy	<input type="checkbox"/> Procedure/Standard Work/SOP	<input type="checkbox"/> Guideline

PURPOSE

The purpose of this policy is to set basic overarching principles of conduct for St. Mary's General Hospital (SMGH), its suppliers, and other stakeholders as part of a Code of Ethics and to establish standardized rules for procurement and contracting.

POLICY STATEMENT

St. Mary's General Hospital will ensure that provincially derived standards for Supply Chain are adopted and followed and that these standards will promote leading practice across the organization.

The Purchasing Department's responsibility is to purchase quality and cost-effective goods and services that will enhance patient care and support the strategic objectives of the Hospital. The hospital operates with a centralized Purchasing Department. All purchases of goods, services and equipment are to be processed by the Purchasing Department (except for Pharmacy consumables).

The primary responsibility for Vendor/Hospital relationships rests with the Purchasing Department. Hospital staff may refuse to conduct business with vendors who are not wearing an authorized vendor badge. Please see [On-Site Vendor Representatives Policy](#) for more details.

SCOPE

This policy applies to all purchases for goods and services that occur under the auspices of St. Mary's General Hospital, with the exception of drug supplies for the Pharmacy department.

PROCEDURE

SMGH has a legislated responsibility to comply with procurement directives of the [Broader Public Sector Accountability Act](#). These directives ensure that publicly funded goods and services (including construction, consulting services, and information technology) are acquired by Broader Public Sector (BPS) organizations through a process that is open, fair, and transparent.

DISCLAIMER: This is a controlled document. Printed, saved or electronic copies of this document found outside of the policy manual system are uncontrolled and subject to change. Users must view the electronic version located on the online policy manual system to ensure the most up to date document is consulted. This document has been created specifically for St. Mary's General Hospital (SMGH) and may not be applicable for other organizations. This document is the intellectual property of SMGH. It is not to be shared or duplicated without permission.

The directives outline the responsibilities of BPS organizations throughout each stage of the procurement process and ensure that procurement processes are managed consistently throughout the BPS.

These requirements set out standardized rules for competitive procurement and contracting. The rules balance numerous objectives, including accountability, transparency, value for money and, ultimately, effective, and high-quality service delivery.

The Ontario Ministry of Finance has developed twenty-five mandatory procurement requirements that must be followed by all BPS Organizations, including SMGH. Included are details on procurement thresholds, exemptions and requirements for Centralization and Building Ontario Businesses Initiative [Click here to access the Broader Public Sector Procurement Directives.](#)

A. Requisitioning

The hospital utilizes an electronic requisitioning system to purchase goods and services and to create purchase orders. All requests are to be submitted and processed through the Hospital Software System (HSS) Requisitioning program.

Any SMGH staff member can submit a Purchase Requisition. As per the [Signing Authority Policy](#), only SMGH staff with signing authority can approve the Purchase Requestion to authorize Purchasing to create a Purchase Order.

Purchases charged to a Department Cost Centre

1. Staff members login to the Infor Requisitioning Module via a web browser using their given SMGH credentials.
2. Staff members input mandatory information regarding the purchase to ensure that:
 - a. The correct signing authority is being assigned;
 - b. Purchases are delivered to the correct area; and
 - c. Purchases are charged to the correct cost center and account.
3. Once complete, the requisition automatically follows the signing authorization for the staff member's role.
4. Once approved and signed by the authorized signatory, the requisition will be processed by the Purchasing Department and sent to the appropriate supplier.

Capital or Special Funded Purchases

1. Requestors are to complete the PDF Purchase Requisition Form found on the [intranet](#).
2. Staff members send the PDF Purchase Requisition and any required support documents to the Buyer who supports their department.
3. A Purchasing Department Buyer will review all documents for completeness and circulate for electronic signature from the designated signing authority and include a Sponsor/Authority.
4. Once all required signatures are complete, the buyer will create a Purchase Order in Infor and attach all signed documents electronically to the Purchase Order.
5. The Buyer will send the Purchase Order and any required documents to the supplier.

B. Equipment for Purchase, Loan or Evaluation

While supplies, samples and equipment provided by suppliers for trial and evaluation are typically provided at no cost, the use of these items must still be controlled. Purchase orders are needed to protect the institution from liability, to ensure insurance coverage, and to document the supplier and institutional obligations under the trial or evaluation.

DISCLAIMER: This is a controlled document. Printed, saved or electronic copies of this document found outside of the policy manual system are uncontrolled and subject to change. Users must view the electronic version located on the online policy manual system to ensure the most up to date document is consulted. This document has been created specifically for St. Mary's General Hospital (SMGH) and may not be applicable for other organizations. This document is the intellectual property of SMGH. It is not to be shared or duplicated without permission.

A copy of the evaluation purchase order will be sent to the company before accepting the items.

The department manager (or designate), in conjunction with the Senior Buyer, is responsible for monitoring the trial and gathering evaluations, which are based on established evaluation criteria.

C. Product Returns

Refer to the Returns section under the Materials Management Section on [the intranet](#). Returns will normally be processed for any of the following reasons: defective items being returned to the supplier, incorrect shipments being returned in exchange for correct items, incorrect items ordered, over-shipments being returned to the supplier.

1. Staff members will coordinate all product returns through the Purchasing Department, with the exception of office products and printed forms, which are to be coordinated by the Staff members directly with the vendor. If the Purchasing Department does not need to be involved in the return, the department manager will be advised.
2. The requesting department completes the Purchase Return Form and forwards it to Purchasing, who will then work with the supplier to obtain authorization for the return.

Supply Chain Code of Ethics

The Code of Ethics is comprised of three main principles. This Code must be available and visible to all employees involved in supply chain-related activities.

1. Personal Integrity and Professionalism

All individuals involved with purchasing or other supply chain-related 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 Broader Public Sector (BPS) organizations, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. All 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.

2. Accountability and Transparency

Supply chain activities must be open and accountable. Contracting and purchasing activities must be fair, transparent, and conducted with a view to obtaining the best value for public money. All participants must ensure that public sector resources are used in a responsible, efficient, and effective manner. Except in the most general sense, there is to be no discussion of prices or terms, nor is there to be any agreement regarding the placing of orders unless a member of the Purchasing Department is present. Under no circumstances is there to be any discussion concerning competitive pricing.

In cases of emergency and as an exception, purchases may be authorized by the appropriate manager. Immediately thereafter, the proper requisitions are to be forwarded to the Purchasing Department with full explanation.

Under certain circumstances, the acquisition of supplies or services may be delegated to certain departments, subject to appropriate procedures as determined by, and always under, the authorization of the Purchasing Department.

DISCLAIMER: This is a controlled document. Printed, saved or electronic copies of this document found outside of the policy manual system are uncontrolled and subject to change. Users must view the electronic version located on the online policy manual system to ensure the most up to date document is consulted. This document has been created specifically for St. Mary's General Hospital (SMGH) and may not be applicable for other organizations. This document is the intellectual property of SMGH. It is not to be shared or duplicated without permission.

3. **Compliance and Continuous Improvement**

All individuals involved in purchasing or other supply chain-related activities must comply with this Code of Ethics and the laws of Canada and Ontario. All individuals should continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading practices.

Other

SMGH must conduct procurement activities according to the law in Ontario, including contract law, the law of competitive processes, privacy legislation, accessibility legislation and any other legislation as may be applicable.

SMGH may also be subject to various trade agreements, including but not limited to the Agreement on Internal Trade (AIT) and the Ontario–Quebec Trade and Cooperation Agreement (Ontario–Quebec Agreement).

DEFINITIONS

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.

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

Goods: Moveable property (including the cost of installing, operating, maintaining, or manufacturing such moveable property) including raw materials, products, 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.

Group Purchasing Organization (GPO): Entities whose purpose is to allow its members to combine their purchasing power to benefit from volume pricing for goods and services.

Infor: Hospital Software System (HSS) software that organizations use to manage day-to-day business activities.

OQTCA: The Ontario-Quebec Trade and Cooperation Agreement. The OQTCA is a provincial trade agreement effective January 1, 2016, that promotes trade and economic cooperation between the two provinces.

DISCLAIMER: This is a controlled document. Printed, saved or electronic copies of this document found outside of the policy manual system are uncontrolled and subject to change. Users must view the electronic version located on the online policy manual system to ensure the most up to date document is consulted. This document has been created specifically for St. Mary's General Hospital (SMGH) and may not be applicable for other organizations. This document is the intellectual property of SMGH. It is not to be shared or duplicated without permission.

PDF Purchase Requestion: Controlled document available for use by staff members.

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

Products and Services: Any goods, construction and services, including but not limited to information technology/solutions, consulting services and capital.

Purchase Order: A written offer made by a purchaser to a supplier formally stating the terms and conditions of a proposed transaction.

Purchasing Department: Authorized department that is responsible for acquiring the goods and services the business requires to operate.

Purchasing Professional: Anyone who has the authority or where it is described within their role/duty to oversee, conduct or complete a process or Supply Chain Activity or comply with any policy at or on behalf of the Organization.

Requestor: The individual accountable for the budget who is trying to make a purchase that is circumventing the competitive process.

Request For Expression Of Interest (RFEI): A formal invitation from a company to potential suppliers to submit a proposal for a specific project or service. The RFEI usually includes information about the company's requirements and what they are looking for in a supplier.

Request for Information (RFI): Request made typically during the project planning phase where a buyer cannot clearly identify product requirements, specifications, and purchase options and is not aware of which suppliers can provide a solution. RFI's clearly indicate that award of a contract will not follow and that a response does not pre-qualify a vendor or influence their chances of being the successful proponent on any subsequent opportunity.

Request for Proposal (RFP): A document used to request suppliers to supply solutions for the delivery of complex products or services or to provide alternative options or solutions. It is a process that uses predefined evaluation criteria in which price is not the only factor. This is a fully open competitive process that is posted publicly via an Electronic Tendering System.

Request for Quotation (RFQ): A document used in soliciting price and delivery quotations that meet minimum quality specifications for a specific quantity of specific goods and/or services. It is also an invitational competitive procurement (minimum of three suppliers are invited to submit a bid). RFQ's may be advertised publicly and are used for competitive pricing on goods/services values at \$50,000 or greater. Suppliers respond to an RFQ with firm quotations, and generally the lowest priced quotation is awarded the contract.

Request for Supplier Qualification (RFSQ): A document used to gather information on supplier capabilities and qualifications with the intention of creating a list of pre-qualified suppliers.

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.

Sponsor/Authority: The direct leader to the requestor of a contract or PDF Purchase Requestion

Staff Member: Any employee paid employee or authorized agent of St. Mary's General Hospital

DISCLAIMER: This is a controlled document. Printed, saved or electronic copies of this document found outside of the policy manual system are uncontrolled and subject to change. Users must view the electronic version located on the online policy manual system to ensure the most up to date document is consulted. This document has been created specifically for St. Mary's General Hospital (SMGH) and may not be applicable for other organizations. This document is the intellectual property of SMGH. It is not to be shared or duplicated without permission.

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

Vendor of Record (VOR): An agreement which exists with a group of vendors who can be invited to bid on business. VOR's must be established through a competitive process and each VOR must have a start and end date. VOR's are to be used as part of a 2-step process. The 1st step is to establish the VOR. The 2nd step is to invite those on the VOR to bid on business as it arises. The hospital can participate, where documented, in the established Ministry VOR's.

Web browser: An application for accessing websites.

SEE ALSO

[On-Site Vendor Representatives Policy](#)

REFERENCES

Broader Public Sector Accountability Act, 2024

Canadian Free Trade Agreement, 2017 (CFTA)

Canadian-European Union: Comprehensive Economic and Trade Agreement, 2017 (CETA)

OQTC, 2016

APPENDICES

Appendix 1 – Exemptions from the Competitive Process

DISCLAIMER: This is a controlled document. Printed, saved or electronic copies of this document found outside of the policy manual system are uncontrolled and subject to change. Users must view the electronic version located on the online policy manual system to ensure the most up to date document is consulted. This document has been created specifically for St. Mary's General Hospital (SMGH) and may not be applicable for other organizations. This document is the intellectual property of SMGH. It is not to be shared or duplicated without permission.

APPENDIX 1

Exemptions from the Competitive Process

In certain unique circumstances, organizations will not have the ability to go through a competitive process for their procurement activity. This section covers non-competitive purchasing when an organization goes directly to one supplier to meet the requirements of the procurement.

There are two main types of direct awards.

- a. Single Sourcing is the use of a non-competitive procurement process to acquire goods, services or construction from a specific supplier even though there may be more than one supplier capable of delivering the same goods, services or construction.
- b. Sole Sourcing means the use of a non-competitive procurement process to acquire goods or services where there is only one available supplier for the source of the goods or service.

Single Sourcing

Allowable exceptions for competitive procurements include:

- a. 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, organizations may conduct the procurement prior to obtaining the appropriate approvals provided that the urgency has been justified in writing;
- b. 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;
- c. 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;
- d. 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;
- e. Where an open competitive process could interfere with the organization's ability to maintain security or order or to protect human, animal or plant life or health;
- f. Where there is an absence of any bids in response to an open competitive process that has been conducted in compliance with this document; and
- g. Where only one supplier is able to meet the requirements of procurement in the circumstances (sole sourcing).

DISCLAIMER: This is a controlled document. Printed, saved or electronic copies of this document found outside of the policy manual system are uncontrolled and subject to change. Users must view the electronic version located on the online policy manual system to ensure the most up to date document is consulted. This document has been created specifically for St. Mary's General Hospital (SMGH) and may not be applicable for other organizations. This document is the intellectual property of SMGH. It is not to be shared or duplicated without permission.

Sole Sourcing

In accordance with the AIT, in the situation where only one supplier is able to meet the requirements of procurement, an organization may use procurement procedures that differ from those described in this document in the following circumstances:

- a. To ensure compatibility with existing products, 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;
- b. 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;
- c. For the procurement of goods or services, the supply of which is controlled by a supplier that is a statutory monopoly;
- d. For the purchase of goods on a commodity market;
- e. For work to be performed on or about a leased building or portions thereof that may be performed only by the leaser;
- 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;
- g. For a contract to be awarded to the winner of a design contest;
- h. 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;
- i. For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases;
- 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.