

St. Mary's General Hospital
Kitchener, Ontario

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TITLE: Authorization to commit funds for Equipment, Supply and Service Purchases

Policy Statement:

It is the policy of this Hospital that funds will only be committed for the purposes of procurement of equipment, supplies or services by appropriate individuals as set forth in this policy.

Purpose:

To clearly delineate who has the authority to commit the hospital to enter into contracts for purchases of non capital equipment, capital equipment supplies and services.

Scope:

This policy applies to:

- All contracts covering the acquisition of supplies, services and non capital equipment.
- All purchases for supplies, services and non capital equipment.
- Non capital equipment refers to equipment purchases up to \$1,000 which has a useful life of less than one year. These purchases would form part of the approved operating budgeting for all departments.

Procedure/Process:

Competitive Acquisition Requirements

All procurement opportunities meeting or exceeding the following thresholds must be accessible to all Canadian suppliers through the use of electronic tendering systems:

Category	Broader Public Sector Threshold
Goods	\$100,000
Services & Construction	\$100,000

As well, according to the AIT, SMGH must conduct open (e.g. RFP) or invitational vendor quotes) competitive bidding where the estimated value of procurement of goods, services, or construction meets the threshold identified below:

Goods, Non-Consulting Services & Construction		
Total Procurement Value	Means of Procurement	Recommended/Required
\$0 up to but not including \$100	Petty Cash	Recommended
\$100 up to but not including \$3,000	Procurement card (P-Card)*	Recommended
\$3,000 up to but not including \$10,000	Purchase Order	Recommended
\$10,000 up to but not including \$100,000	Invitational competitive procurement (minimum of three suppliers are invited to submit a bid)	Recommended
\$100,000 or more	Open competitive process	Required
Consulting Services		
Total Procurement Value	Means of Procurement	Recommended/Required
\$0 up to but not including \$100,000	Invitational or open competitive process	Required
\$100,000 or more	Open competitive process	Required

*These are currently not used at SMGH

The only exceptions to a competitive acquisition process are listed in the SMGH Supply Chain Guidelines.

If a non-competitive process is used for consulting services (based on an exemption as outlined in the Supply Chain Guidelines) it must be approved by the President/CEO (\$0 up to but not including \$1,000,000) or the Board of Trustees (\$1,000,000 or more).

In determining the value of procurement for approval purposes one should not take into consideration applicable sales tax. The overall value of the procurement must not be reduced (e.g. dividing a single procurement into multiple procurements) in order to circumvent the competitive procurement thresholds.

Requests for Information (RFI) should be utilized where possible to obtain information on the types of equipment available and the vendors that carry that equipment. This information allows for more effective refinement of an RFP specifications. These are very useful for products that the hospital has not recently or ever purchased. A response to a Request for Information (RFI) or Request for Expression of Interest (RFEI) must not prequalify a potential supplier and must not influence their chances of being the successful proponent on any subsequent opportunity.

Supplier Pre-Qualification

A Request for Supplier Qualification (RFSQ) can be completed in order to gather information about supplier capabilities and qualifications in order to pre-quality suppliers for an immediate

product or service need or to identify qualified candidates in advance of expected future competitions. Terms and conditions of the RFSQ must contain language that disclaims any obligation of the hospital to call on any supplier to provide goods or services as a result of the pre-qualification.

Authority to Commit Hospital Funds has been Delegated to:

Requisitions for purchases may come from numerous sources (Purchasing Policy), however the individual employees in the Purchasing Department who have been authorized as the sole agents of the hospital by the President and as such, are the only people authorized to commit hospital funds towards the purchase of supplies, services or equipment.

Further Delegation of Authority to Commit Hospital Funds:

The authorization to commit hospital funds has been further delegated by the Purchasing department to other selected departments as follows:

- To the Pharmacy department for the acquisition of pharmaceuticals.
- To the Engineering department for the acquisition of day to day maintenance supplies, service contracts and construction contracts.
- To the Planning department for any and all requirements related to the redevelopment project.
- To the Food Services department for the acquisition of patient food and related products.

The Vice President for each of these departments is responsible for ensuring all purchases and contracts are conducted within approved budgets and according to the Supply Chain Guideline policy.

Specific Delegation of Authority to Commit Hospital Funds within the Purchasing Department:

Responsibilities of Purchasing Staff when Committing Hospital Funds:

To ensure all requisitions, manual or electronic, are appropriately authorized prior to committing hospital funds as outlined in the policy titled "Authorization of Purchase Requisitions".

To ensure they do not commit hospital funds to any supplies, services or equipment that are outside of the categories and limits for which they have received delegated authority, unless in an extreme emergency.

In an emergency situation, the individual committing the funds must inform the Director, Support Services as soon as possible.

To ensure that when involved in purchases or contracts that fall outside of their delegated authority, they do not make any commitment to vendors for such purchases or contracts until such time as the individual with appropriate delegated authority approves the purchase or contract, as evidenced by their written or electronic signature on the purchase order or contract.

To bring to the attention of the Director, Support Services any individuals within or outside of Purchasing who are in violation of the delegated authority indicated within this policy.

To ensure that compliance with competitive acquisition procedures has occurred in all cases. Please refer to the Supply Chain Guidelines.

Summary of Delegated Authority by Category and Dollar Value Limit:

Please see Appendix A: Position Delegated Authority Dollar Value Limit of Delegated Authority

Origin: PURCHASING POLICY NO: 74021

Date Approved: 2001/06/20

Dates Revised: June 11, 2001; April 9, 2010; March 30,2011

Date Reviewed: 1990, 1993 and 1996, April 9, 2010; March 30, 2011

Approved by: Senior Management Team

Responsibility: VP Finance

References: Broader Public Sector Procurement Directive, Ministry of Finance

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Appendix A

POSITION DELEGATED AUTHORITY DOLLAR VALUE LIMIT OF DELEGATED AUTHORITY

Purchase of Approved Capital Items

All dollar amounts

- Directors and/Managers and
- Vice President Finance (CFO)
- President (Contingency Items)
- Purchasing Buyers – Process Order only

Repair and Service Contracts Purchase Order and/or Invoices included in the Operating Budget or Purchase of Budgeted Contracted Inventory Items on a Purchase Order or Budgeted Non-Inventory Non Capital Items on a Purchase Order

Up to \$100,000

- Program Vice President or
- Director/Manager of Department with Budgetary Responsibility

Greater than \$100,000

- Vice President and
- CEO and/or President and
- Vice President Finance (CFO)

- Purchasing Buyers– Process Order only

Consulting Purchase Order and/or Invoices

Up to \$100,000

- Director/Manager of Department with Budgetary Responsibility and
- Program Vice President and
- Vice President Finance (CFO) and
- CEO and/or President

- Purchasing Buyers – Process Order only

Credit Card Purchases

Named holder of Credit Card (Credit card policy must be adhered to)

Unbudgeted Amounts in excess of \$200,000

- CEO and/or President and
- Board of Directors

Purchasing Buyers– Process Order only

Origin: PURCHASING POLICY NO: 74021
Date Approved: 2001/06/20; March 23, 2011
Dates Revised: 2001/06/11; 2010/04/29, February 28, 2011
Date Reviewed: 1990, 1993 and 1996, 10/09/04, March 23, 2011
Approved by: Board of Trustees
Responsibility: VP Finance

References:

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