



NORTHUMBERLAND HILLS
HOSPITAL
BOARD OF DIRECTORS MANUAL

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| CATEGORY: | FINANCE | NUMBER: III-005 |
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PROCUREMENT APPROVAL AUTHORITY SCHEDULE

Policy:

The Hospital will employ fair and competitive practices for the procurement of goods and services in accordance with the *Broader Public Sector Accountability Act, 2010* and the Broader Public Sector Procurement Directive April 1, 2011. This policy does not include employment agreements or union contracts.

Purpose:

To establish consistent procurement practices using a process that is open, fair and competitive, and to maximize the value received from the use of public funds.

Definitions:

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.

Goods and/or Services: All goods and/or services including construction, equipment, 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 the Hospital.

Open Competitive Procurement: A set of procedures for developing a procurement contract through a bidding or proposal process, which shall include posting on a public procurement website. For example, issuing a Request for Proposal (RFP).

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

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Procurement Value: The estimated total financial commitment resulting from procurement, taking into account optional extensions, but excluding applicable sales taxes. The overall value of procurement cannot be reduced by dividing a single procurement into multiple procurements.

Sole Sourcing: 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 services.

Single Sourcing: The use of a non-competitive procurement process to acquire goods or services from a specific supplier even though there may be more than one supplier capable of delivering the same goods or services.

Procedure:

1. For procurement of goods and services, excluding consulting services, the following means of procurement based on applicable thresholds must be followed:

| Total Procurement Value | Means of Procurement |
|--|--------------------------------------|
| \$0 up to but not including \$3,000 | Purchase order or MasterCard |
| \$3,000 up to but not including \$10,000 | Purchase order |
| \$10,000 up to but not including \$100,000 | Invitational competitive procurement |
| \$100,000 or more | Open competitive procurement |

2. For procurement of consulting services, the following means of procurement based on applicable thresholds must be followed:

| Total Procurement Value | Means of Procurement |
|---------------------------------------|--|
| \$0 up to but not including \$100,000 | Invitational or open competitive procurement |
| \$100,000 or more | Open competitive procurement |

3. In special circumstances, the Hospital may be required to use non-competitive procurement, either through sole sourcing or single sourcing. Prior to commencement of a non-competitive procurement, supporting documentation must be completed and approved by the appropriate authority within the Hospital, consistent with Board Policy III-003 Signing Authorities.
4. The Hospital shall endeavour to receive a minimum of two quotes or proposals for invititational or open competitive procurements.

References:

Broader Public Sector Procurement Directive April 1, 2011
Board Policy III-003 Signing Authorities

Approved:

November 30, 1998
March 2011
April 2002
May 2003
January 2007
September 2011

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