

Manual	GOVERNANCE POLICY		POLICY
Section 4.0	Ensuring Financial Viability		
Title	PROCUREMENT		
Issuing Body/ Prepared By	Resource Utilization and Audit Committee		
Approved by	Board of Directors		Number: GOV 4.70
Effective Date Revised Date	O: March 2011		File Name: File Name: "Lhgdata"(J:)/Dept'1/Admin/ CorpDev/Corp&Board Planning/ Governance Policy/ 4.70 Procurement
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Purpose

As part of its responsibility for ensuring financial viability, the Board of Bluewater Health is required to ensure that the Hospital's procurement principles and processes comply with the Ontario Broader Public Sector ("BPS") Procurement Directive. This Directive:

- Ensures that publicly funded goods and services, including construction, consulting services, and information technology are acquired by BPS organizations through a process that is open, fair, and transparent;
- Outlines responsibilities of BPS organizations throughout each stage of the procurement process; and
- Ensures that procurement processes are managed consistently throughout the BPS.

This policy sets out processes to support the Board in fulfilling this responsibility.

Policy

The Board hereby authorizes and directs the CEO to ensure that appropriate and effective processes exist to ensure that decisions related to planning, acquisition and management of goods and services for use by the Hospital will comply with the BPS Procurement Directive including the Supply Chain Code of Ethics.

The hospital's procurement processes will be guided by the following principles:

- **Accountability**

Bluewater Health will be accountable for appropriateness of the procurement processes and the results of its procurement decisions.

- **Transparency**

Bluewater Health's procurement processes will be transparent to all stakeholders and, wherever possible, will provide stakeholders with equal access to information on procurement opportunities, processes and results.

- **Value for Money**

Bluewater Health will maximize the value received from the use of public funds by adopting a value-for-money approach which aims to deliver goods and services at the optimum total lifecycle cost.

- **Quality Service Delivery**

Bluewater Health will endeavour to ensure that the programs and services it provides receive the right product, at the right time, in the right place.

- **Process Standardization**

Bluewater Health will endeavour to standardize processes in order to improve efficiency of program and service delivery.

The Board hereby approves the signing authority framework for the Hospital attached hereto as Schedule "A". The BPS Supply Chain Directive is attached hereto as Schedule "B".

Monitoring

Method & Frequency:

1. Review of the Policy (every three years)
2. Certificate from the CEO or designate of Bluewater Health's compliance with the Directive (quarterly)

Schedule A Signing Authority Framework

Approval levels	Assigned Staff	Department Manager	Program Director	CFO	VP	CEO
Purchases UNDER \$500	A1	A1	A1	A1	A1	A1
Up to an Annual value of \$20,000	N/A	A1	A1	A1	A1	A1
Annual Value \$20,001 - \$50,000	N/A	A1	A2	A2	A2	A2
Annual Value \$50,001 - \$100,000	N/A	A1	A2	A2	A3	A3
Annual Value \$100,001 - \$2,000,000	N/A	N/A	A1	A2	A3	A3
Annual Value > \$2,000,000	N/A	N/A	A1	A2	A3	A4
Untendered Contracts annual value of \$5,000 or less	N/A	A1	A1	A1	A1	A1
Untendered Contracts annual value of \$5,001 or more	N/A	N/A	A1	A2	A2	A2
Pharmaceuticals up to \$20,000 (per order)	A1	A1	A1	A1	A1	A1
Pharmaceuticals \$20,001 - \$200,000 (per order)	N/A	A1	A1	A2	A2	A2
Pharmaceuticals > \$200,000 (per order)	N/A	A1	A2	A3	A3	A3

Table notes:

- A1 means one signature is required; A2 means two signatures are required and the second signature is from a higher level; and so forth. For items with an annual value over \$2,000,000, four signatures are required. N/A means not authorized.
- Material amounts arising outside Board-approved, annual operating or capital budgets require board approval prior to proceeding with the procurement process.
- If a person's approval is required in accordance with the above chart and such person is not available, the approval of the authority one level higher is required.
- Amounts refer to annual dollar commitment of contract before HST.
- Any non-competitive procurement of goods or non-consulting services must be approved an authority one level higher than the AAS requirements for competitive procurement.
- For Consulting Services of a value from \$0 - \$100,000, a competitive process (invitational or open) is required unless the CEO's prior approval is obtained.
- For procurement of a value over \$100,000, an open competitive process is required.

Schedule B
Broader Public Sector (BPS) Procurement Directive