

Administration Manual

Sourcing and Procurement Policy	Section: Sourcing and Procurement
Effective Date: October 1, 2017	Original Date: April 2010 Revised: September 1, 2014 September 30, 2016 February 1, 2017

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SOURCING and PROCUREMENT POLICY MANUAL

Policy: Code of Ethics

Policy No.: 1

Effective Date: October 1, 2017

Original Date: April 2010

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September 30, 2016

February 1, 2017

POLICY STATEMENT:

The following Headwaters Health Care Centre (Headwaters) Purchasing Control Policy is to be followed by all Headwaters employees and contract personnel or consultants engaged by Headwaters.

Policy Objective:

To ensure that Headwaters implements ethical, efficient and accountable purchasing activities on a day to day basis.

1.0 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.

2.0 Accountability and Transparency

Supply chain activities must be open and accountable. In particular, 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.

3.0 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.

SOURCING and PROCUREMENT POLICY MANUAL

Policy: **Employee Conflict of Interest**

Policy No.: 2

Effective Date: October 1, 2017

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September 30, 2016

February 1, 2017

POLICY STATEMENT:

The following Headwaters Health Care Centre (Headwaters) Employee Conflict of Interest Policy is to be followed by Headwaters employees and contract personnel or consultants engaged by Headwaters.

Policy Objective:

To ensure that Headwaters implements ethical, efficient and accountable sourcing, contracting and purchasing activities on a day to day basis.

1.0 Employee Conflict of Interest

- 1.1. Headwaters shall employ all reasonable measures to ensure that during the procurement process conflicts of interests do not exist. This requirement extends to employees, contract staff, advisors, external consultants and suppliers involved with the Supply Chain Activities.
- 1.2 Individuals are required to disclose and/or declare any perceived and/or actual conflicts of interest.
- 1.3 When a conflict of interest arises, it must be evaluated and an appropriate mitigating action must be taken.

2.0 Acceptance of Funds by Headwaters Employees for Training and Other Reimbursements from Vendors or Potential Vendors

- 2.1 Acceptance of funds from vendors or potential future suppliers for training and other reimbursements could give rise to the appearance of a conflict of interest and therefore are strongly discouraged.
- 2.2 Acceptance of one-time gifts or contributions of a nominal value of less than \$250 is permissible to maintain vendor relationships and goodwill.
- 2.3 Exceptions to the policy are to be approved by the VP Corporate Services.

SOURCING and PROCUREMENT POLICY MANUAL

Policy: Purchasing Controls

Policy No.: 3

Effective Date: October 1, 2017

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September 30, 2016

February 1, 2017

POLICY STATEMENT:

The following Headwaters Health Care Centre (Headwaters) Segregation of Duties and Approval Authority Level Policy is to be followed by Headwaters employees and contract personnel or consultants engaged by Headwaters.

Policy Objective:

To ensure that Headwaters implements ethical, efficient and accountable purchasing activities on a day to day basis. Effective control in an organization includes both the delegation of authority and segregation of duties across functions and individuals.

1.0 Segregation of Duties

Segregation of duties prevents any one person from controlling the entire purchasing process by segregating approvals through the key stages of the procurement process. Headwaters' matrix of process segregation is as follows:

Roles	Explanation	Responsibility
Requisition	Authorize the supply chain department to place an order	Headwaters Requestor
Budget	Authorize that funding is available to cover the cost of the order and that the good or service is an appropriate business expense	Headwaters Budget Holder
Commitment	Authorize release of the order to the supplier under agreed-upon contract terms	Headwaters or Shared Services West (SSW) Purchasing role
Receipt	Authorize that the order was physically received, correct and complete	a) Physical goods: Receiving Department b) Services: Headwaters Requestor

Payment	Authorize release of payment to the supplier	Headwaters Accounts Payable
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2.0 Approval Authorities

In combination with segregation of duties in the purchasing process, controls must be in place to identify the approvals required for various dollar levels of purchasing.

- The delegated Schedule of Authorities Policy Table 4.0 0 Purchase Commitment for Budgeted Items (Purchase Requisition or Purchase Order or Contract) outlined in Section 2 must be complied with for every item that is purchased by the organization.
- Headwaters employees and contract personnel or consultants engaged by Headwaters who source goods and services are required to ensure that they receive the appropriate approvals prior to initiating the procurement process.
- When determining the approval threshold, the commitment value includes the base term and optional renewal periods (e.g. \$50,000 per year x 2 years + optional renewal of 1 year = \$150,000 approval required)
- When determining the value of procurement for approval, sales tax will not be considered.
- It is not permitted to divide the requirements into multiple procurements to reduce the estimated value of a single procurement and avoid the application of the identified value thresholds.
- The following is an excerpt from the full Schedule of Authorities outlined in the Schedule of Authorities policy, Table 4.0.

4.0 Purchase Commitment for Budgeted Items (Purchase Requisition or Purchase Order or Contract)							
Operations:	Admin/ Other	Manager	Director	VP	VP	CEO	BoD (Chair or Vice-Chair or Treasurer)
and Finance:		Director	Director	Director	VP Corp	VP Corp	(Note 1)
Inventory Items or Consumables/Maintenance Contracts	<\$1,000	<\$25,000	<\$50,000	<\$100,000	<\$250,000	<\$1,000,000	≥\$1,000,000
Consulting Procured competitively					<\$25,000	≥\$25,000	
Procured non-competitively						<\$100,000	≥\$100,000
Professional Fees and Services (excluding consulting services and physicians)					<\$25,000	<\$1,000,000	≥\$1,000,000
Unbudgeted Operating Expenditures				<\$10,000	<\$25,000	<\$100,000	≥\$100,000
Lease agreements: Equipment Real Estate				<\$25,000	<\$100,000 <\$100,000	<\$1,000,000 <\$1,000,000	≥\$1,000,000 ≥\$1,000,000
Capital purchases		<\$10,000	<\$25,000	<\$150,000	<\$500,000	>\$500,000	
Capital purchase for Emergency purposes (unbudgeted)				<\$25,000	<\$100,000	><\$100,000	≥\$250,000
Independent Auditor Fees							X
Note 1 – BoD approval of purchase is required on the Commitment Executive Summary. Final contract signatures follow limits outlined above.							

- In addition to the approval schedule above, any non-competitive procurement of goods or non-consulting services must be approved prior to commencement of the procurement process as follows:

Limited Tendering Procurement Approvals - regardless of \$ amount				
	Sponsoring VP	VP Corp	CEO	Board Chair
Limited tendering (formerly Sole and Single Source) procurement	X	X	X	
Limited Tendering procured by CEO's office		X		X

Refer to Policy No. 5 Non Competitive Procurement for definitions of limited tendering

- Consulting Services are where expert or strategic advice is provided, which may include recommendations or alternatives, to management to enable business decisions. They may include the following types of services:
 - **Management Consulting:** Advisory services assisting the organization improve its performance, primarily through the analysis of existing problems and development of plans for improvement. This includes organizational change management assistance and strategy development
 - **Information Technology Consulting:** Advisory services that assist the organization assess different technology strategies, including aligning technology strategy with business or process strategy
 - **Technical Consulting:** Advisory activities that provide recommendations and alternatives related to actuarial science, appraisal, community planning, employment/placement, engineering, health sciences, interior design realty, social sciences
 - **Policy Consulting:** Advisory services to provide policy options analysis and evaluation
 - **Communications Consulting:** Advisory services providing strategic options and advice in conveying information via various channels and media
- Examples of Consulting vs. Professional Services:

Consulting	Non-Consulting
An architect engaged to develop a 10-year strategic plan or Master Redevelopment plan	An architect engaged to design a specific building
An organization engaged to develop an IT strategy	An individual engaged to create a database to support an IT Implementation
An individual or organization engaged to develop an employment strategy and/or hiring or staffing practices	An individual or organization hired to conduct a specific employment search or placement
An individual or organization engaged to develop a communications strategy or advising the Executive Team on communicating to the media	An individual or organization engaged to design a specific publication
An individual or organization engaged to develop plans for improved performance and obtaining operational efficiencies (i.e. LEAN initiatives)	An individual or organization engaged to Implement operating processes (leading to improvements)

An individual or organization engaged to develop an equipment maintenance plan	An organization who manages and performs all Biomedical and equipment maintenance programs
A Lawyer/Law firm engaged to provide strategic business advice on a feasibility assessment (considered “business advice”)	A Lawyer/Law firm engaged to provide an analysis of whether current Hospital governance structure complies with current legislation (considered “legal advice” and covered under solicitor-client privilege, litigation privilege and/or settlement privilege.)

- For an individual (not an employee) to be deemed a “consultant”, they must fit the profile of an independent contractor as defined by the Canada Revenue Agency employee / employer relationship guidelines. The central concept is making a determination of “control”. To determine whether an individual is an employee or an independent contractor providing consulting services, the originator should consult with the Director Finance

3.0 Annual Broader Public Sector (BPS) Attestation

- 3.1 Headwaters Health Care Centre is required to provide various attestations to the MOHLTC regarding its compliance to the Broader Public Sector (BPS) Accountability Act (BPSAA) each fiscal year.
- 3.2 To support the organization’s publicly disclosed attestations, all of Headwaters’ Managers, Directors, and Vice-Presidents are required to review and sign an attestation of compliance with the BPS Procurement Directives and Hospital Policies.
- 3.3 All signed attestations are retained by Finance.

SOURCING and PROCUREMENT POLICY MANUAL

Policy: Competitive and Non-Competitive Thresholds

Policy No.: 4

Effective Date: October 1, 2017

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February 1, 2017

POLICY STATEMENT:

The following Headwaters Health Care Centre (Headwaters) Competitive and Non-Competitive Threshold Policy is to be followed by Headwaters employees and contract personnel or consultants engaged by Headwaters.

Policy Objective:

To ensure that Headwaters implements ethical, efficient and accountable sourcing, contracting and purchasing activities on a day to day basis, this policy defines the minimum competitive requirement for purchases.

1.0 Competitive / Non-Competitive Thresholds

- 1.1 For the procurement of goods and services the following policy defines the acceptable procurement value thresholds in order to determine when Competitive/non-Competitive processes will apply.

Goods, Non-Consulting Services and Construction	
Total Procurement Value	Procedure
\$0 - \$24,999	Informal, non- competitive procurement required; 1 quote required
\$25,000 - \$49,999	Informal procurement/non-binding RFQ – 2 quotes
\$50,000 - \$99,999	Invitational competitive procurement (minimum of three suppliers invited to participate)
≥ \$100,000	Open competitive process
Consulting Services	
Total Procurement Value	Procedure

\$0 up to but not including \$100,000	Invitational competitive procurement (minimum of three suppliers are invited to submit a bid) or open competitive process
\$100,000 or more	Open competitive process

- 1.2 An open competitive procurement process must be conducted where the estimated value of procurement of goods or services is \$100,000 or more. The exemptions must be in accordance with applicable trade agreements (i.e. Agreement on Internal Trade).
- 1.3 Consulting services must be competitively procured irrespective of value. The exemptions must be in accordance with applicable trade agreements.
- 1.4 When determining the approval threshold, the commitment value includes the base term and optional renewal periods (e.g. \$50,000 x 2 years + optional renewal of 1 year = \$150,000 approval)
- 1.5 When determining the value of procurement for approval, sales tax will not be considered.
- 1.6 It is not permitted to divide the requirements into multiple procurements to reduce the estimated value of a single procurement and avoid the application of the identified value thresholds.

SOURCING and PROCUREMENT POLICY MANUAL

Policy: Non- Competitive Procurement

Policy No.: 5

Effective Date: October 1, 2017

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February 1, 2017

POLICY STATEMENT:

The following Headwaters Health Care Centre (Headwaters) Non-Competitive Procurement Policy is to be followed by Headwaters employees and contract personnel or consultants engaged by Headwaters.

Policy Objective:

To ensure that Headwaters implements ethical, efficient and accountable sourcing, contracting and purchasing activities on a day to day basis.

1.0 Non-Competitive Procurement

- 1.1 Headwaters will employ competitive procurement processes wherever possible to achieve optimum value for money. However, special circumstances may exist that require the use of a non-competitive procurement process. Broader Public Sector (BPS) Procurement Directives allow the use of non-competitive procurement only in situations outlined in the exemption, exception, or non-application clauses of the Canada Free Trade Agreement (CFTA) or other trade agreements. Such situations are called Limited Tendering (formerly called Single or Sole Sourcing)
- 1.2 In the event that Headwaters employs a non-competitive procurement process, formal documentation will be completed to support and justify the process (See Appendix 2 for appropriate form) prior to commencement of the procurement process.
- 1.3 Approval requirements for non-competitive procurements are documented in Policy 2 – Purchasing Controls, Section 2.7.

2.0 Limited tendering

- 2.1 A non-competitive procurement process may be justified for use in the following circumstances provided that it does not do so for the purpose of avoiding competition between suppliers or in order to discriminate against any other suppliers:

- A1.** If no tenders were submitted or no suppliers requested participation
- A2.** If no tenders that conform to the essential requirements of the tender documentation were submitted
- A3.** If no suppliers satisfied the conditions for participation
- A4.** If the submitted tenders were collusive
- A5.** If the goods and services can be supplied only by a particular supplier and no reasonable alternative or substitute goods or services exist for any of the following reasons:
- (i) Requirement is for a work of art
 - (ii) Protection of patents, copyrights or other exclusive rights
 - (iii) Due to an absence of competition for technical reasons
 - (iv) Supply of goods or services is controlled by a supplier that is a statutory monopoly
 - (v) To ensure compatibility with existing goods, or to maintain specialized goods that must be maintained by the manufacturer of those goods or its representative
 - (vi) Work is to be performed on property by a contractor according to the provisions of a warranty or guarantee held in respect of the property or the original work
 - (vii) Work is to be performed on a leased building or related property, or portions thereof, that may be performed only by the lessor
 - (viii) Subscriptions to newspapers, magazines or other periodicals
- A6.** If goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open tendering process could reasonably be expected to compromise government confidentiality, result in the waiver of privilege, cause economic disruption, or otherwise be contrary to the public interest
- A7.** For additional deliveries by the original supplier of goods or services that were not included in the initial procurement, if a change of supplier for such additional goods or services:
- (i) Cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services or installations procured under the initial procurement; and
 - (ii) Would cause significant inconvenience or substantial duplication of costs for the procuring entity
- A8.** If strictly necessary, and for reasons of urgency brought about by events unforeseeable by the procuring entity, the goods or services could not be obtained in time using open tendering
- A9.** Goods purchased on a commodity market
- A10.** If a procuring entity procures a prototype or a first good or service that is developed in the course of, and for, a particular contract for research, experiment, study, or original development. Original development of a first good or service may include limited production or supply in order to incorporate the results of field testing and to demonstrate that the good or service is suitable for production or supply in quantity to acceptable quality standards, but does not include quantity production or supply to establish commercial viability or to recover research and development costs
- A11.** For purchases made under exceptionally advantageous conditions that only arise in the very short term in the case of unusual disposals such as those arising from liquidation, receivership, or bankruptcy, but not for routine purchases from regular suppliers
- A12.** If a contract is awarded to a winner of a design contest provided that: (i) the contest has been organized in a manner that is consistent with the principles of this Chapter, in particular relating to the publication of a tender notice; and (ii) the participants are judged by an independent jury with a view to a design contract being awarded to a winner.

3.0 Exemptions per the Canada Free Trade Agreement (CFTA)

4.1 Under the terms of the Canada Free Trade Agreement (CFTA) the following procurements are exempt from competitive procurement:

- B1.** Acquisition or rental of land, existing buildings or other immovable property, or the rights thereon
- B2.** Measures necessary to protect intellectual property, provided that the measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between Parties where the same conditions prevail or are a disguised restriction on trade
- B3.** Financial services respecting the management of government financial assets and liabilities (i.e. treasury operations), including ancillary advisory and information services, whether or not delivered by a financial institution
- B4.** Health services and social services
- B5.** Services that may, under applicable law, only be provided by licensed lawyers or notaries
- B6.** Services of expert witnesses or factual witnesses used in court or legal proceedings
- B7.** Procurement of goods or services from philanthropic institutions, non-profit organizations, prison labour, or natural persons with disabilities
- B8.** Procurement of goods or services conducted for the specific purpose of providing international assistance, including development aid, provided that the procuring entity does not discriminate on the basis of origin or location within Canada of goods, services, or suppliers
- B9.** Procurement of goods, services and construction that is financed primarily from donations that are subject to conditions that are inconsistent with the CFTA
- B10.** Procurement of goods or services conducted under the particular procedure or condition of an international organization, or funded by international grants, loans, or other assistance, if the procedure or condition would be inconsistent with the CFTA.

4.2 Consulting services rendered by the licensed professionals noted in section 4.1 (a) are not exempt and must follow the procurement guidelines outlined in Policy 3 – Section 2.8.

4.3 While services in section 4.1 are exempt from competitive procurement, a review to ensure Headwaters obtains Value for Money for the services required is encouraged. (i.e. obtaining quotes from at least two service providers)

SOURCING and PROCUREMENT POLICY MANUAL

Policy: Competitive Sourcing for Procurement

Policy No.: 6

Effective Date: October 1, 2017

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September 30, 2016

February 1, 2017

POLICY STATEMENT:

The following Headwaters Health Care Centre (Headwaters) Competitive Sourcing for Procurement Policy is to be followed by Headwaters employees and contract personnel or consultants engaged by Headwaters.

Policy Objective:

To ensure that Headwaters implements ethical, efficient and accountable sourcing, contracting and purchasing activities on a day to day basis.

1.0 Definitions

- 1.1 Request for Information (RFI)
- 1.2 Request for Expression of Interest (RFEI)
- 1.3 Request for Quotation (RFQ)
- 1.4 Request for Supplier Qualification (RFSQ)
- 1.5 Request for Tender (RFT)
- 1.6 Request for Proposal (RFP)
- 1.7 Vendor of Record (VOR)

2.0 Information Gathering

- 2.1 Where results of informal supplier or product research are insufficient to support the development of an RFP, RFQ, RFSQ, RFP and/or VOR in the future, informal processes such as a Request for Information (RFI) or Request for Expression of Interest (RFEI) may be used if warranted.
- 2.2 In the event that RFIs and/or RFEIs are implemented, they will not be used to pre-qualify a potential supplier nor will the responses to the RFI's and RFEI's influence a supplier's chance of being the successful supplier on any subsequent opportunity.
- 2.3 A RFSQ may be used to gather information about supplier capabilities and qualifications in order to pre-qualify suppliers for an immediate product or service need or to identify qualified candidates in advance of expected future competitions.

2.4 The terms and conditions within the RFSQ must contain specific language to disclaim ANY obligation to call on any supply as a result of the pre-qualification to supply the goods and/or services.

2.5 The following table outlines when the use of RFIs, RFEIs and RFSQs are appropriate:

Information Required	RFI	RFEI	RFSQ
General supplier or product information	X		
Information on supplier interest in opportunity		X	
Information on supplier capability/qualifications		X	X
Pre-Qualified suppliers' list desired			X

3.0 Competitive Sourcing for Procurement

- 3.1 As defined in Policy 4 – Competitive and Non-Competitive Thresholds, procurements for \$10,000 or greater require a competitive procurement process.
- 3.2 The competitive procurement process may be initiated by any individual requiring procurement of goods and services and should be arranged through Shared Services West.
- 3.3 At time of procurement process initiation, the source of funding for the goods/services should be considered as there may be other mandated transfer payment procurement policies to be considered.
- 3.4 Goods/services specifications should be carefully considered and documented to support the procurement process. Include consultation with the Product Evaluation Standardization Committee, where appropriate.
- 3.5 Confidential information related to the development of the competitive procurement documentation should be clearly identified to ensure it is not included in publically tendered documentation.
- 3.6 Review and revise as necessary the contract and/or terms and conditions for inclusion in the Competitive Sourcing for Procurement Documentation.
- 3.7 Contract extension provisions shall be clearly articulated in the competitive procurement documents to ensure Headwaters has the right to extend sourcing/procurement contracts as necessary, within appropriate parameters and government regulations.
- 3.8 Ensure inclusion of Bid Protest Procedures in Competitive Sourcing for Procurement Documentation.

- 3.9 It is the responsibility of the Evaluation Committee to review and approve the competitive documentation prior to issuance. through invitation or open public/electronic forum.
- 3.10 Mode of Competitive Sourcing for Procurement Documentation issue is based upon competitive procurement thresholds.
- 3.11 Addenda to published Competitive Procurement Documentation to be done using the same format as the documentation was originally issued.
- 3.12 Sourcing for procurement (contracts) valued \geq \$25,000 - \leq \$100,000, at a minimum, RFQ implementation is mandatory. Headwaters has a standard RFQ template which is to be used when soliciting market quotations (See Appendix 4 – RFQ Template)
- 3.13 Sourcing for procurement (contracts) valued at \geq \$100,000, RFP or RFT implementation is mandatory and shall be made through an open electronic public tendering forum that is equally accessible to all suppliers. This process is to be coordinated through Shared Services West.

4.0 Contract Term and Extensions

- 4.1 It is recommended that total contract durations, including extensions, be limited to three to five years.
- 4.2 Contract extension should only be granted in cases where:
 - a) There is a provision for extension in the original contract. This provisions must be the same as that articulated in the procurement documents;
 - b) The contract extension is no longer than the original contract term;
 - c) The value of the extension is < 50% of the original contract's value;
 - d) Based on a study of current competition and market conditions, the contract extension is in the best interest of Headwaters;
 - e) There is a situation where urgency exists and the goods, services or construction cannot be procured through a competitive process in time to meet the needs of Headwaters and where a delay would cause economic hardship or significant service delivery disruption or otherwise be contrary to the interest Headwaters;
 - f) Unforeseeable delay in a project where an uncontrollable shift of timetables required the organization to retain the services or maintain a contract with a supplier to maintain the best interest of Headwaters.

5.0 Posting Competitive Procurement Documents

- 5.1 Calls for open competitive procurement must be made through an electronic tendering system that is readily accessible by all Canadian suppliers.

- 5.2 A minimum response time of 15 business days will be provided to vendors to respond to procurement opportunities
- 5.3 For procurement with high complexity, risk and/or dollar values, a minimum response time of 30 calendar days must be considered.
- 5.4 Extensions as deemed necessary and agreed to by the Evaluation Committee is acceptable.
- 5.5 All addenda must be issued at least seven (7) days prior to the closing date.
- 5.6 If an addendum is issued within seven (7) days of the closing date, the RFP closing date should be extended accordingly.
- 5.7 The bid submission date and closing time must be clearly stated in the competitive procurement documents. The closing date must be a normal working day (Monday to Friday, excluding provincial and national holidays).
- 5.8 Submissions that are delivered after the closing time will not be considered and must be returned unopened.

SOURCING and PROCUREMENT POLICY MANUAL

Policy: Competitive Sourcing for Procurement Evaluation **Policy No.:** 7

Effective Date: October 1, 2017

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September 30, 2016

February 1, 2017

POLICY

STATEMENT:

The following Headwaters Health Care Centre (Headwaters) Competitive Sourcing for Procurement Evaluation Policy is to be followed by Headwaters employees and contract personnel or consultants engaged by Headwaters.

Policy

Objective:

To ensure that Headwaters implements ethical, efficient and accountable sourcing, contracting and purchasing activities on a day to day basis, evaluation criteria will be developed and utilized by the Evaluation Committee to select the successful bid.

1.0 Evaluation

Team

- 1.1 Every competitive process requires an Evaluation Committee that will be responsible for reviewing all the compliant bids and scoring each of those bids.
- 1.2 Evaluation Committee members must sign a conflict-of-interest declaration and non-disclosure of confidential information agreement. Individuals selected to participate on the Evaluation Committee who do not agree to sign the confidentiality and non-disclosure agreement will be excluded from participation on the team.
- 1.3 Evaluation Committee members must be made aware of the restrictions related to utilization and distribution of confidential and commercially sensitive information collected through the competitive procurement process and refrain from engaging in activities that may create or appear to create a conflict of interest.

2.0 Evaluation

Criteria

- 2.1. Competitive processes require that evaluation criteria be developed to determine which bid should be selected.

- 2.2 Evaluation criteria must be developed, reviewed and approved by an appropriate authority prior to commencement of the competitive procurement process.
- 2.3 Competitive procurement documents must clearly outline mandatory, rated, and other criteria that will be used to evaluate submissions, including weight of each criterion.
- 2.4 Mandatory criteria (e.g., technical standards) should be kept to a minimum to ensure that no bid is unnecessarily disqualified.
- 2.5 Maximum justifiable weighting must be allocated to the price/cost component of the evaluation criteria.
- 2.5 The evaluation criteria are to be altered only by means of addendum to the competitive procurement documents. The evaluation criteria cannot be changed or altered once the competitive bidding process is closed.
- 2.6 Within the competitive procurement document issued for bid, Headwaters shall fully disclose the evaluation methodology and process to be used in assessing a supplier's submission, including the method of resolving a tie score.
- 2.7 Competitive procurement documents must state that submissions that do not meet the mandatory criteria will be disqualified.

3.0 Evaluation Process

The competitive procurement response/bid evaluation process will adhere to the following;

- 3.1 Headwaters will ensure that each member of the Evaluation Committee has completed an evaluation matrix rating each of the suppliers. Records of evaluation scores must be retained for audit purposes.
- 3.2 Evaluators should be aware that everything they say or document must be fair, factual, and fully defensible and may be subject to public scrutiny.
- 3.4 Headwaters must select only the highest ranked submission(s), based on the weighted evaluation criteria articulated in the competitive documentation, meeting all mandatory requirement.
- 3.5 Unless expressly requested in the competitive documentation, Headwaters will not consider alternate proposals made by a supplier. Alternate proposals will be evaluated by the same criteria stipulated within the competitive document(s).
- 3.6 Headwaters will resolve a tie score in a non-discriminating, open process and will document the process in the competitive documents.
- 3.7 Headwaters and the Evaluation Committee must refrain from any discrimination or preferred treatment in awarding a contract to any supplier from the competitive process.

4.0 Evaluation of Value-Add Incentives

A value-add incentive is an offer by a supplier, over and above the primary goods or services being purchased, with the intent to increase the total value received by the customer.

- 4.1 To maintain the principles of open, fair and transparent procurement practices, value add incentives must not be considered unless they are explicitly requested in the competitive procurement documents.
- 4.2 Value-add incentives must be directly relevant and transparently connected to the given procurement.
- 4.3 The procurement document should list the specific value-add incentives that would be considered beneficial to Headwaters and order of preference, such as on-site technical assistance or product upgrades.
- 4.4 Cash should never be requested as a value-add incentive and, if received, should only be used to reduce the final price of the bid.
- 4.5 The criteria to evaluate value-add incentives must be established prior to commencement of the competitive procurement process. However, value-add incentives can be difficult to value. Potential vendors are encouraged to assign value and include any value adds to be offered in the total bid price.
- 4.6 If so chosen, the weighting assigned to value-add incentives must be stated in the competitive procurement document.
- 4.7 The weight assigned to value-add incentives should demonstrate that they are not considered a major influencing factor;
- 4.8 Value-add incentives that are outside the scope of the goods and/or services being procured or related operational improvement will not be considered or provided points in the evaluation process; and
- 4.9 Value-add incentives should be evaluated as a separate and final step after all other rated criteria.

SOURCING and PROCUREMENT POLICY MANUAL

Policy: **Contract Award**

Policy No.: **8**

Effective Date: October 1, 2017

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September 30, 2016

February 1, 2017

POLICY STATEMENT:

The following Headwaters Health Care Centre (Headwaters) Contract Award Policy is to be followed by Headwaters employees and contract personnel or consultants engaged by Headwaters.

Policy Objective:

To ensure that Headwaters implements ethical, efficient and accountable sourcing, contracting and purchasing activities on a day to day basis.

1.0 Contract Award

- 1.1 Once the competitive process has been completed and the supplier selected, Headwaters and/or Shared Services West (SSW) shall notify and award the contract for provision of goods or services to the selected supplier.
- 1.2 The contract between Headwaters and selected supplier must be defined formally in a signed written contract before the provision of the goods or services commence and before a contract award is made public.
- 1.3 When executing the contract, Headwaters should obtain the supplier signatures before obtaining Headwaters' signatures.
- 1.4 In situations where an immediate need exists for good or services and the contract is not finalized, an interim purchase order may be used. This will allow for the immediate needs to be met while final negotiations take place towards finalizing the contract terms.
- 1.5 The justification for proceeding under clause 1.4 must be documented and approved by the appropriate authority.

2.0 The Contract Document

- 2.1 The contract must be finalized using the form of agreement/contract which was released with the procurement document.
- 2.2 In circumstances where an alternative procurement strategy has been used (i.e., a form of agreement was not released with the procurement document), the agreement between Headwaters and the successful supplier must be defined formally in a signed written

- contract before the provision of supplying goods and services commences.
- 2.3 All contracts must include appropriate cancellation or termination clauses.
 - 2.4 To manage disputes with suppliers throughout the life of the contract, all contracts should include a dispute resolution process.
 - 2.5 When conducting complex procurements, organizations should consider, as appropriate, the use of contract clauses that permit cancellation or termination at critical project life-cycle stages.
 - 2.6 Non-standard contracts or clauses outside of approved SSW contract template must be reviewed and approved by Finance / Legal prior to obtaining any supplier signatures.
 - 2.7 The term of the agreement and any options to extend the agreement must be set out in the competitive procurement documents. An approval by an appropriate authority must be obtained before executing any modifications to the term of agreement.
 - 2.8 Changes to the term of the agreement (e.g. extension years) may change the overall procurement value. Prior written approval by the appropriate authority with consideration of the need for legal review is necessary before changing contract start and end dates.
 - 2.9 Extensions to the term of the agreement beyond what is set out in the competitive procurement document are considered non-competitive procurements where the extension affects the value and/or state deliverable of procurement (See Policy No. 5 – Non-Competitive Procurement) and Headwaters shall seek and document appropriate approval, including internal legal review, as necessary, prior to proceeding. See Policy No. 6 – Section 4.0 for additional guidance related to contract extensions.

3.0 Contract Award Notification

- 3.1 For procurements valued at \$100,000 or more Headwaters will post, in the same manner as the Competitive Procurement Documents were posted, the name(s) of the successful supplier(s).
- 3.2 Contract award notification must occur only after the agreement between the selected supplier and Headwaters has been executed.
- 3.3 The contract award notification must include the name of the successful supplier, agreement start and end dates, including any options for extension.

4.0 Vendor Debriefing

- 4.1 For procurements valued at \$100,000 or more, Headwaters will inform all suppliers who participated in the competitive procurement process (but were not selected), of their entitlement to a debriefing.
 - 4.2 Headwaters will allow unsuccessful vendors to request a debriefing up to sixty (60) calendar days following the date of contract award notification.
- ### **5.0 Board Notification**
- 5.1 The Board Finance and Audit Committee will be informed of all contracts entered into on a timely basis.

Pertinent contract details will be summarized and presented to the Board Finance and Audit Committee at the committee's next scheduled meeting following the contract award.

SOURCING and PROCUREMENT POLICY MANUAL

Policy: Contract Management and Document Retention **Policy No.:** 9

Effective Date: October 1, 2017

Original Date: April 2010

Revised: September 1, 2014

September 30, 2016

February 1, 2017

POLICY STATEMENT:

The following Headwaters Health Care Centre (Headwaters) Document Retention Policy is to be followed by Headwaters employees and contract personnel or consultants engaged by Headwaters.

Policy Objective:

To ensure that Headwaters implements ethical, efficient and accountable sourcing, contracting and purchasing activities on a day to day basis.

1.0 Contract Management

- 1.1 Procurement and the resulting contact must be managed responsibly and effectively.
- 1.2 Payments must be made in accordance with provisions of the contract. All invoices must contain detailed information sufficient to warrant payment. Any overpayments must be recovered in a timely manner.
- 1.3 Assignment of contracts must be properly documented.
- 1.4 Supplier performance must be managed and documented, and any performance issues must be addressed.
- 1.5 Disputes with suppliers throughout the life of the contract, must be managed in accordance with the dispute resolution process outlined in the contract..
- 1.6 For the procurement of goods (regardless of value) the 3 way match process will suffice as demonstration that the right product has been received for the right price by the vendor.
- 1.7 Any exceptions to the 3 way match process will result in an intervention between Accounts Payable, the receiver of the goods purchased and the vendor for remediation.
- 1.8 For services, contracts must:
 - a) Establish clear terms of reference for the assignment. The terms should include objective, background, scope, constraints, staff responsibilities, tangible deliverables, timing, progress reporting, approval requirement, and knowledge transfer requirements.
 - b) Establish expense claim and reimbursement rules compliant with the Broader Public Sector Expenses Directive and ensure all expenses are claimed and reimbursed in accordance with these rules.
 - c) Ensure that expenses are claimed and reimbursed only where the contract explicitly provides for reimbursement of expenses.

- 1.9 Upon receipt of service invoices for payment (which are in alignment with the deliverable milestones agreed to in the contract), the receiver of the service will document acceptability of the deliverables and payment will be approved in accordance to their successful delivery.

2.0 Procurement Documents and Records Retention

- 2.1 Headwaters will retain procurement documents as well as any other pertinent information for reporting and auditing purposes for a period of 7 years past contract expiry date.
- 2.2 Documentation retained in an electronic format that is fully recoverable is considered acceptable by Headwaters.

SOURCING and PROCUREMENT POLICY MANUAL

Policy: Vendor of Record

Policy No.: 10

Effective Date: October 1, 2017

Original Date: April 2010

Revised: September 1, 2014

September 30, 2016

February 1, 2017

POLICY STATEMENT:

The following Headwaters Health Care Centre (Headwaters) Vendor of Record Policy is to be followed by Headwaters employees and contract personnel or consultants engaged by Headwaters.

Policy Objective:

To ensure that Headwaters implements ethical, efficient and accountable sourcing, contracting and purchasing activities on a day to day basis.

1.0 Vendor of Record (VOR)

Headwaters will utilize VOR arrangements resulting from a fair, open, transparent and competitive procurement process that authorize one or more vendors to offer specific goods or services for a defined time period, with terms, conditions and pricing set out in the particular VOR procurement documents including the RFP and accepted proposal submissions.

2.0 VOR Status Award

All VOR arrangements will be established through an RFP process as defined in Policy 6 – Competitive Sourcing for Procurement. Bidders who successfully meet all the requirements of the RFP are awarded VOR status.

VOR status is awarded for a period not to exceed 3 years. Upon expiration of VOR status, the vendor is entitled to compete on future VOR RFPs.

3.0 Use of VORs

Total Procurement Value	Procedure
≤ \$25,000	Acceptable to select most appropriate VOR based on established terms and pricing

≥\$25,000 & ≤ \$100,000 – goods, services and construction	Must obtain quotes from a minimum of two VORs
> \$100,000 – goods, services and construction	Open, Public/electronic competitive process

SOURCING and PROCUREMENT POLICY MANUAL

Policy: **Electronic Signature**

Policy No.: 11

Effective Date: October 1, 2017

Original Date: April 2010

Revised: September 1, 2014

September 30, 2016

February 1, 2017

Purpose:

The purpose of this policy is to provide guidance on acceptable use and requirements for the use of electronic signatures in Headwaters documents including, but not limited to, internal approval forms, contracts, funding letters, and other correspondence.

Policy Statement:

An electronic signature is an acceptable substitute for a traditional signature for all i Headwaters documents and contracts, subject to the controls and notations in this document.

Policy Content:

1.0 Scope

- 1.1 This policy applies to all employees and physicians in the organization using an electronic signature. This does not apply to external consultants, contractors (excluding physicians) or volunteers.
- 1.2 Use of the Adobe Echo Sign software allows for electronic signature by authorized approvers on Headwaters documents.
- 1.3 Each electronic signature must:
 - a) apply to a specified signatory only; it may not be used by more than one person and must uniquely identify an individual,
 - b) be uniquely linked to the signatory
 - c) be linked to the document to which it relates such that a change in the document or signature is detectable. This may include using certification by a trusted service provider,
- 1.4 Electronic signatures must not be shared and each individual must restrict delegation of access to their email boxes to public emails only (exclude access to private emails) to maintain the security of the approver's electronic signature.
- 1.5 Electronic signatures should not be used in transactions where there is a legal requirement for written signature, for example in the signing of a deed or other document where the signature is required to be witnessed.

2.0 Accountability Framework

- 2.1 Each individual maintaining an electronic signature is responsible for its appropriate use and security.

- 2.2 Any individual that makes inappropriate or illegal use of the electronic signature is subject to disciplinary action, up to and including dismissal, and may be criminally prosecuted.
- 2.3 Exceptions or clarifications required for this policy should be directed to the Director Finance.

Approval of Sourcing and Procurement Policies No. 1 to No. 11

Approval Date Sept 27, 2017	Approval Body Senior Management Committee	Approval Signature: [mm/yy]
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Appendix 1 Definitions

Accountability	The obligation of an employee, agent or other person to answer for, or be accountable for, work, action or failure to act following delegated authority.
Agreement	A formal written contractual document (i.e. entered into at the end of the procurement process).
Approval Authority	The authority delegated by Headwaters to a person to occupy a position to approve on its behalf one or more procurement functions within the plan-to-pay cycle up to specified dollar limits subject to the applicable legislation, regulations and procedures in effect at such time.
Award	The notification to a proponent of acceptance of a proposal, quotation or tender that brings a contract into existence.
Bid	A proposal, quotation or tender submitted in response to a solicitation from a contracting authority. A bid covers the response to any of the three principal methods of soliciting bids. (RFT, RFP, RFQ)
Bid Protest	A dispute raised against the methods employed or decisions made by a contracting authority in the administration of a process, leading to the award of a contract.
Broader Public Sector (BPS) Accountability Act (BPSAA)	Headwaters is required to comply with the BPS Procurement Directives .
Competitive Procurement	Requirement for Headwaters to invite bidder or publish notification on an open forum (>\$10,000 - <\$100,000 Invitational/open competition and >\$100,000 Open Forum).
Competitive Documentation	Various forms/templates used throughout the procurement process.
Conflict of Interest	A situation in which financial or other considerations have the potential to compromise or bias professional judgment and objectivity. An apparent conflict of interest is one in which a reasonable person would think that the professional judgment is likely to be compromised. It is important to note that a conflict of interest exists whether or not decisions are affected by a personal interest; a conflict of interest implies only the potential for bias or appearance of bias, not likelihood.
Consultant	A person or entity that under an agreement, other than an employment agreement, who 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.

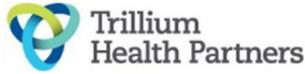
Contract	An obligation, between competent parties upon a legal consideration, to do or abstain from doing some act. It is essential to the creation of a contract that the parties intend that their agreement shall have legal consequences and be legally enforceable. The essential elements of a contract 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; legality of purpose; and sufficient certainty of terms.
Evaluation Criteria	A benchmark standard or yardstick against which accomplishment, conformance, performance and suitability of individual, alternative, activity, product or plan is measured to select the best supplier through a competitive process. Criteria may be qualitative or quantitative in nature.
Evaluation Matrix	A tool allowing the evaluation team to rate supplier proposals based on multiple pre-defined evaluation criteria.
Evaluation Committee	Individuals designated/responsible to make award recommendation. The Evaluation Committee would typically include representatives from the purchasing organization and subject matter expert. Each member participates to provide business, operational, legal, technical and financial input.
Goods	In relation to procurement, moveable property (including the costs 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 general construction contract.
Non-Competitive Procurement	Procurements that do not require Headwaters to formally invite bidders or publish notification on an open forum.
Non-Disclosure Agreement	An agreement where parties agree to disclose information and/or relations they have that may hinder their judgment in the procurement process.
Non-Discrimination	Fairness in treating suppliers and awarding contracts without prejudice, discrimination or preference.
Procurement	Acquisitions by any means, including by purchase, rental, lease or conditional sale, of goods, services or construction.
Procurement Card (P-Card)	Headwaters Credit card used on purchases of non-inventory, non-capital items, such as office supplies or travel expenses. The card allows obtaining goods and services without going through the requisition and authorization procedure.
Procurement Value	The estimated total financial commitment resulting from procurement,

Over the term of the agreement, including optional extensions.

Purchase Order (PO)	A purchaser's written offer to a supplier formally stating all the terms and conditions of proposed transaction.
Request for Expressions of Interest (RFEI)	A document used to gather information on supplier interest in an opportunity or of Interest (RFEI) information on supplier capabilities/qualifications. A response to a RFEI must not pre-qualify a potential supplier or influence their chances of being the successful proponent on any subsequent opportunity.
Request for Information (RFI)	A document issued to potential suppliers to gather general supplier, service or product (RFI) information. It is a procurement whereby suppliers are provided with general or preliminary description of problems or need and are requested to provide information or advice about how to better define the problem or need, or alternative solutions. A response to a RFI must not pre-qualify a potential supplier 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 (RFP) 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. Generally this document is used for procurements over \$100,000.
Request for Supplier Qualifications (RFSQ)	A document used to identify a supplier capabilities and qualifications, with the Qualifications (RFSQ) intention of creating a list of screened and pre-qualified suppliers. The RFSQ process when implemented may reduce subsequent effort in future similar competitive procurements.
Request for Tender (RFT)	A document used to request supplier responses to supply goods or services based on stated delivery requirements, performance specifications, terms and conditions. An RFT usually focuses the evaluation criteria predominantly on price and delivery requirements.
Request for Quote (RFQ)	A document used to request suppliers to supply pricing for the delivery of products or services. Generally this document is used for procurements of \$25,000 to \$100,000.
Requisition	A formal request to obtain goods or services, based on the terms established in the respective contract, where applicable.
Segregation of Duties	A method of process control to manage conflict of interest, the appearance of conflict of interest, and errors or fraud. It restricts the amount of power held by

any one individual. It puts a barrier in place to prevent errors or fraud that may be perpetrated by a single individual. involved in multiple steps in the processing of transactions.

Services	Intangible products that do not have a physical presence. No transfer of possession or ownership takes place when services are sold. They cannot be stored or transported, are instantly perishable, and come to existence at the time they are bought and consumed.
Limited Tendering	The use of a non-competitive procurement process to acquire goods or services from a specific supplier under a specific defined set of circumstances.
Supplier/Bidder	Any person who, based on an assessment of that person's financial, technical and commercial capacity, is capable of fulfilling the requirements of procurement.
Specifications	Explicit set of requirements to be satisfied by a material, product or service.
Supply Chain	The full range of processes that manage the flow of goods and services, information, and dollars between suppliers, customers and end-users, as well as the supporting infrastructure required to enable these processes.
Supplier Debriefing	The practice of informing a supplier why their bid was not selected upon completion of the contract award process.
Vendor of Record (VOR)	A procurement arrangement that authorizes organizations to select from prequalified vendors.



Appendix 2 – Limited Tendering Justification Form
Competitive Procurement Exception & Exemption Form
NEW

As per Hospital purchasing/procurement policy, the Hospital shall employ a competitive process to increase the chances of achieving the greatest value for money.

In the event that a competitive procurement process is not possible, BPS requirements are that a formal and approved exemption must be documented on all non-competitive procurements, via this form, prior to any commitments being made to a supplier. All forms are to be retained for audit purposes.

Instructions for Completion Form:

- Subject to the Hospital Area having engaged SSW and SSW assessing that a non-competitive procurement is applicable, the Hospital SME will complete the initial draft Exception Form, seeking appropriate feedback as considered necessary.
- SSW will vet and approve the Final version of the Exception Form and initiate the required approval process via the Echo Sign e-signature process. SSW will retain all completed forms.

Hospital Name: Choose an item.

SUMMARY

Note: Consulting Services: *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. Please see your Hospital Consulting Policy for information.*

<p>Background & Scope</p> <p><i>(Provide explanation of the product or service (what it is, how it is used, where it is used, why it is needed, who made the request) and how it fits with organizational objectives. Describe the circumstances that have created this situation. Describe any risks or implications.)</i></p> <hr/>
<p>Exception Justification and Rationale</p> <p><i>(Sufficiently address the major reason(s) for conducting a non-competitive procurement, avoiding peripheral issues which detract from the main reason and reduce the credibility of the justification. The rationale must be clear and convincing, avoiding generalities and unsupported conclusions. Use one or more of the following as applicable; refer to the reasons listed above if necessary.</i></p> <p>Please note that the availability of an exemption does not justify a non-competitive process as BPS requirements strongly encourage competitive procurements wherever possible.</p> <p><i>Attach additional information as required.)</i></p>
<p>Cost / benefit analysis</p> <p><i>(Explain the cost/benefit analysis including details of the value proposition for the organization given the exception circumstances. Please indicate why this noncompetitive procurement has still achieved “Best Value” for the organization.)</i></p>

<p>ACKNOWLEDGEMENT – ALL SIGNATORIES</p> <p><input type="checkbox"/> I am aware of the Hospital’s requirements for competitive bidding and the criteria for justification for</p>
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non-competitive procurement. I am comfortable the necessary due diligence has been conducted to support the recommendation.

I declare that I do not have a conflict in this non-competitive process by means of financial interest or relationships (business or personal) with the supplier and/or their parent company.

All information pertaining to this non-competitive process, whether obtained in writing, verbally or through observation, is considered confidential and must not be disclosed in accordance with SSW's Non-Disclosure requirements.

Hospital Member Approval

- *As required by Hospital Signing Authority and/or Purchasing/Procurement Policy*
- ***We the undersigned hereby indicate our agreement with the description of the exemption and that there is no conflict of interest with this supplier by signing below:***

Print Name Requestor		Title	
Signature		Date	
Print Name		Title	
Signature		Date	
Print Name		Title	
Signature		Date	
Print Name		Title	
Signature		Date	

SSW

Name - Procurement Lead		Title	
Signature		Date	
Print Name		Title	Vice President, Supply Chain Services
Signature		Date	

Conflict Declaration: NAME: _____

If there is a conflict in this non-competitive process by means of financial interest or relationships (business or personal) with the supplier and/or their parent applicable to the Signatories above, he or she must provide all relevant details below.

APPENDIX A – Limited Tendering Exception Codes

A1. If no tenders were submitted or no suppliers requested participation

A2. If no tenders that conform to the essential requirements of the tender documentation were submitted

A3. If no suppliers satisfied the conditions for participation

A4. If the submitted tenders were collusive

A5. If the goods and services can be supplied only be a particular supplier and no reasonable alternative or substitute goods or services exist for any of the following reasons:

- (i) Requirement is for a work of art
- (ii) Protection of patents, copyrights or other exclusive rights
- (iii) Due to an absence of competition for technical reasons
- (iv) Supply of goods or services is controlled by a supplier that is a statutory monopoly
- (v) To ensure compatibility with existing goods, or to maintain specialized goods that must be maintained by the manufacturer of those goods or its representative
- (vi) Work is to be performed on property by a contractor according to the provisions of a warranty or guarantee held in respect of the property or the original work
- (vii) Work is to be performed on a leased building or related property, or portions thereof, that may be performed only by the lessor
- (viii) Subscriptions to newspapers, magazines or other periodicals

A6. If goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open tendering process could reasonably be expected to compromise government confidentiality, result in the waiver of privilege, cause economic disruption, or otherwise be

A7. For additional deliveries by the original supplier of goods or services that were not included in the initial procurement, if a change of supplier for such additional goods or services:

- (i) Cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services or installations procured under the initial procurement; and
- (ii) Would cause significant inconvenience or substantial duplication of costs for the procuring entity

A8. If strictly necessary, and for reasons of urgency brought about by events unforeseeable by the procuring entity, the goods or services could not be obtained in time using open tendering

A9. Goods purchased on a commodity market

A10 If a procuring entity procures a prototype or a first good or service that is developed in the course of, and for, a particular contract for research, experiment, study, or original development. Original development of a first good or service may include limited production or supply in order to incorporate the results of field testing and to demonstrate that the good or service is suitable for production or supply in quantity to acceptable quality standards, but does not include quantity production or supply to establish commercial viability or to recover research and development costs

A11. For purchases made under exceptionally advantageous conditions that only arise in the very short term in the case of unusual disposals such as those arising from liquidation, receivership, or bankruptcy, but not for routine purchases from regular suppliers

A12. If a contract is awarded to a winner of a design contest provided that: (i) the contest has been organized in a manner that is consistent with the principles of this Chapter, in particular relating to the publication of a tender notice; and (ii) the participants are judged by an independent jury with a view to a design contract being awarded to a winner.

contrary to the public interest	
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APPENDIX B– Exemption Codes

(B) CFTA Exemption

CFTA is the acronym used to refer to the Canada Free Trade Agreement. Where an exemption, exception, or non-application clause exists under CFTA or other trade agreement, Organizations may apply this clause when conducting procurement.

- B1.** Acquisition or rental of land, existing buildings or other immovable property, or the rights thereon
- B2.** Measures necessary to protect intellectual property, provided that the measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between Parties where the same conditions prevail or are a disguised restriction on trade
- B3.** Financial services respecting the management of government financial assets and liabilities (i.e. treasury operations), including ancillary advisory and information services, whether or not delivered by a financial institution
- B4.** Health services and social services
- B5.** Services that may, under applicable law, only be provided by licensed lawyers or notaries
- B6.** Services of expert witnesses or factual witnesses used in court or legal proceedings
- B7.** Procurement of goods or services from philanthropic institutions, non-profit organizations, prison labour, or natural persons with disabilities
- B8.** Procurement of goods or services conducted for the specific purpose of providing international assistance, including development aid, provided that the procuring entity does not discriminate on the basis of origin or location within Canada of goods, services, or suppliers
- B9.** Procurement of goods, services and construction that is financed primarily from donations that are subject to conditions that are inconsistent with the CFTA
- B10.** Procurement of goods or services conducted under the particular procedure or condition of an international organization, or funded by international grants, loans, or other assistance, if the procedure or condition would be inconsistent with the CFTA.

APPENDIX 5: RFQ TEMPLATE

REQUEST FOR QUOTATION FOR (DESCRIBE SERVICES)

DATE: (INSERT DATE)

NO. OF PAGES (INCLUDING THIS PAGE): (##)

FROM: (CONTACT PERSON)
(Bid Coordinator)

CLOSING DATE: (INSERT DATE & TIME OF CLOSING)

SPECIFICATIONS/SCOPE OF WORK: (INSERT ALL RELATIVE INFORMATION-ADD ADDITIONAL PAGES/ATTACHMENTS AS REQUIRED)

RESPONDENTS SUBMISSION

PRICE: (INSERT PER UNIT/PER SCOPE OF WORK COST)

ACKNOWLEDGEMENT

By submitting a quotation (Quotation), I (we) agree and consent to the terms and conditions and provisions of the Request for Quotation (RFQ) as outlined within this document. I/We declare that neither our firm nor our employees have a situation with Headwaters Health Care Centre (Headwaters) or its employees, management or Directors that may be interpreted as a conflict of interest or potential conflict of interest. I/We acknowledge that this RFQ does not constitute an offer from Headwaters and Headwaters will not be obligated in any way to me/us as the result of the submission of a Quotation. By submitting a Quotation in response to this RFQ, I/We agree to accept and to be bound by all of the terms and conditions contained in this RFQ and that Headwaters shall have the right without liability, cost or penalty and in its sole discretion to exercise any of the rights set out in this RFQ.

(Please print)

Name of Respondent: _____

Address: _____

Telephone #: _____ Fax#: _____

E-Mail: _____

Name of Individual(s) _____

Title: _____

Authorized Signature(s) _____

Date: _____

I (we) have authority to bind the company.

TERMS & CONDITIONS OF THE RFQ

Quotation Submission: To be eligible for consideration in this RFQ process, a response must be received by (INSERT CLOSING DATE).

Responses may be delivered to: Headwaters Health Care Centre, 100 Rolling Hills Drive, Orangeville, ON L9W 4X9 Attn: (INSERT Name of contact person) - BID COORDINATOR Email: (INSERT E-MAIL ADDRESS OF CONTACT PERSON)

Quotations received after the Closing Time shall not be considered. Quotations may be submitted by mail or by electronic version.

Withdrawal or Amendment of Quotation: A Respondent may withdraw its Quotation only by giving written notice received by the Headwaters Bid Coordinator before the Closing Time. A Respondent may amend its Quotations in accordance with this RFQ by giving written notice received by the Headwaters Bid Coordinator before the Closing Time including a revised Quotation.

Quotation Irrevocability: Quotations shall be irrevocable by the Respondent upon Closing Time for a period of (INSERT PERIOD)

RFQ Procedures: All questions and communications regarding this RFQ must be directed in writing to the Bid Coordinator

Notice: Only the Bid Coordinator is authorized by Headwaters to amend or waive the requirements of the RFQ pursuant to the terms of this RFQ in writing and respondents shall not rely upon instructions from Headwaters, its employees, agents or third parties. Headwaters shall not be liable for any such reliance.

Respondent to Review: The Respondent is responsible for reviewing the RFQ for any uncertainties, inconsistencies, errors, omissions or ambiguities and for contacting the Bid Coordinator to clarify such concerns. The Bid Coordinator will share any response with all Respondents.

Clarification and Questions: Respondents may request clarification of this RFQ from the Bid Coordinator no later than seventy-two (72) hours before the Closing Time. Headwaters will provide all Respondents with responses to such questions in the form of Addenda that shall form part of this RFQ. Headwaters reserves the right to offer oral answers to minor questions.

Amendments or Cancellation: Headwaters shall have the right to amend or supplement this RFQ in writing prior to the Closing Time. Respondents shall be informed of any such change and provided with binding Addenda issued by the Bid Coordinator. Headwaters shall have the right to cancel this RFQ, at any time without award. No reasons must be given.

Clarification of Respondent's Quotation: Headwaters shall have the right but not the obligation, at any time after Quotation submission, to seek clarification from any Respondent in respect of the Respondent's Quotation. In the clarification process, no change in the substance of the Quotation shall be permitted. Any written clarification given during this process shall be considered part of the Respondent's Quotation.

Verification of Information: Headwaters shall have the right to verify any Respondent statement or claim by whatever means it deems appropriate. The Respondent shall co-operate and consent to the verification of information.

Quotation Acceptance: Headwaters is not obligated to accept any quotation, regardless of price nor obligated to provide reasons for rejection.

Right to Waive Irregularities: Headwaters shall have the right to waive any irregularities in Quotations or in the submission of Quotations, provided that such irregularities are minor and do not constitute a material deviation.

Right to ask for Resubmission: If Headwaters determines that all of the Quotations submitted are non-compliant or that none of the Quotations meets its needs, Headwaters may ask for resubmissions from all Respondents.

Pricing: Prices should be quoted in Canadian Dollars. All prices should be quoted exclusive of the goods and services tax or any other Federal or Provincial tax applicable. These items should be stated separately.

Conflict of Interest: The Respondent should set out any actual or potential conflict of interest or any other type of unfair advantage in submitting its Quotation or in performing or observing the contractual obligations set out in the Agreement.

Disqualification of Quotations: Headwaters, without liability, cost or penalty and in its sole discretion, may disqualify any Quotation at any stage of the RFQ process on the basis of, but not limited to, incorrect information, non-compliance with the RFQ, misrepresentation, collusion, lack of cooperation, previous breach of contract with Headwaters, conflict of interest, or improper submission.

Confidentiality: All correspondence, documentation and information of any kind, provided to any Respondent, in connection with this RFQ shall remain confidential and remains the property of Headwaters. Such materials shall be returned upon request. If any portion of a Respondent's Quotation is to be held confidential, such provisions must be clearly identified in the Quotation.

Intellectual Property: The Respondent shall not use any intellectual property of Headwaters including but not limited to all logos, registered trademarks or trade names at any time without the prior written approval of Headwaters. All deliverables, services and intellectual property rights provided under this RFQ are to remain the exclusive property of Headwaters.

Assignment: The Respondent shall not assign any of its rights or obligations hereunder without Headwaters' consent.

Governing Law: The RFQ, the Respondent's Quotation and the resulting Agreement shall be governed by the laws of Ontario and Canada.

No Liability: Headwaters shall not be liable to any Respondent, person or entity for any losses, expenses, costs, claims or damages of any kind as a result of:

- a) the Respondent responding to this RFQ;
- b) the use of any information, error or omission provided by the Respondent; or
- c) discrepancies between quantities of work actually done or supplied and the estimated quantities set out in this RFQ.