



POLICY

REGIONAL

Applicable to all WRHA governed sites and facilities (including hospitals and personal care homes), and all funded hospitals and personal care homes. All other funded entities are excluded unless set out within a particular Service Purchase Agreement.

Level:

1

Policy Name:

PURCHASING

Policy Number:

30.10.130

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Approval Signature:

Original signed by A. Wilgosh

Section:

FINANCE

Date:

September 2010

Supercedes:

December 2003

1.0 **PURPOSE:**

To provide direction to WRHA facilities and WRHA funded facilities for all Financial Commitments made by the facility, regardless of the source of funding, including those made during the Purchasing Transaction Cycle in order to ensure the use of fair and ethical methods and an accountable determination of the successful vendor from which to purchase goods, services and equipment.

2.0 **DEFINITIONS:**

- 2.1 **Competitive Bid Process:** A process governed by Canadian competitive bid law whereby bids are solicited and evaluated in accordance with pre-established evaluation criteria.
- 2.2 **Emergent:** Where an unforeseeable situation of urgency exists and the goods, services or construction cannot be obtained in time by means of open procurement procedures.
- 2.3 **Financial Commitment:** Any external obligation eventually settled through either cash payment or exchange of equipment, goods or services of equivalent value. Goods, services or equipment ordered for an evaluation period are a Financial Commitment regardless of the dollar value.
- 2.4 **Financial Commitment Value:** Total anticipated annual settlement value of the Financial Commitment over time through cash payment or exchange of goods or services of equivalent value.

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- 2.5 Financial Commitments of the following nature are excluded:
- Operating Agreements pursuant to section 44.1 of *The Regional Health Authorities Act* (CEO's office)
 - Service Purchase Agreements (CEO's office)
 - Physician Remuneration (Medical Staff Office)
 - Independent Contractor Agreements (HR Department)
 - Memorandums of Understanding (CEO's office)
 - Clinical Placement Agreements (CEO's office)
 - Affiliation Agreements (CEO's office)
 - Repayable Award Agreements (CEO's office)
 - Secondments (HR Department – non-physician, Medical Staff Office – physician)
 - Letters of Offer (HR Department)
- 2.6 Purchase Order: The method of tracking all external Financial Commitments, including authorized/designated forms for authorizing purchases as determined by the site Purchasing Department (examples include standard purchase orders, Procurement credit cards, statements of work, stockless ordering).
- 2.7 Purchase Requisition: Document identifying, at a minimum, specifications, volumes, estimated cost, source of funding and authorization.
- 2.8 Purchasing Transaction Cycle: The purchasing transaction steps which include authorizing, sourcing, ordering, expediting, receiving and settlement.
- 2.9 Requestor: Individual, representing a department, requesting the purchase of a good or a service.
- 2.10 Single Source: A source specifically selected amongst others, due to specific appropriate and justifiable reasons ie, replacement parts, compatibility, quality, service, support, etc.
- 2.11 Sole Source: Specific products or services available from only one source.
- 2.12 Single/Sole Source, Emergent or Exempt Financial Commitments: For the purposes of this policy, the provisions of the Agreement on Internal Trade (AIT) Annex 502.4, Appendix D (sole source) and Appendix C (other exemptions) shall apply.
- 2.13 Single/Sole Source Justification Form: a form used to document the reason why goods, services or equipment are deemed Single/Sole Source.

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- 2.14 Value Add: Any funds, items or services which directly benefit a specifically identified Facility/ Program/Agency and are not identified as a requirement in the competitive bid document.

3.0 **POLICY:**

- 3.1 All Financial Commitments shall be preauthorized by the appropriate signing authority in a user department.
- 3.2 Only designated site Purchasing Departments may authorize Purchase Orders. This authority may be delegated as appropriate, for example pharmaceutical purchases to Pharmacy and construction initiatives to Capital Planning or Facilities Management. In Emergent situations where the designated site Purchasing Department is not available authorization shall be obtained from the on call site senior executive or delegate with the information relayed to the designated site Purchasing Department immediately upon their availability.
- 3.3 Each Financial Commitment with a Financial Commitment Value of less than \$5,000 exclusive of taxes requires a minimum of one quote prior to purchase. The quote(s) shall be documented by the designated site Purchasing Department on a site Purchase Requisition.
- 3.4 Each Financial Commitment with a Financial Commitment Value of \$5,000 to \$24,999 exclusive of taxes requires three written quotes prior to purchase. This may include written evidence of “no quote” from legitimate suppliers.
- 3.5 Each Financial Commitment with a Financial Commitment Value of \$25,000 or greater shall be managed by WRHA Contracting Services.
- 3.6 Contracting Services may delegate authority to manage construction initiatives to the Capital Planning and/or Facilities Management Department(s).
- 3.7 A Single/Sole Source or Exempt Financial Commitment shall be exempt from the Competitive Bid Process providing a Single/Sole Source Justification Form has been completed and approved by authorized personnel.
- 3.8 In all instances, documented evidence of quotes and justification of Single/Sole Source or Exempt status must be maintained within the designated site Purchasing Department This documentation shall include a completed WRHA Single/Sole Source Justification Form, where applicable.
- 3.9 Value Adds shall not be accepted in relation to any purchases. All requirements are to be clearly outlined in any competitive bid request in order to distinguish between requirements and Value Adds.

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3.10 No invoice shall be paid without an appropriately authorized Purchase Order.

3.11 In situations where an internal resource is available to provide cost effective, quality products and services, the requirement to use the Competitive Bid Process may be waived. Examples would include Printing Services, Catering.

4.0 **PROCEDURE:**

4.1 Requestor completes a properly authorized Purchase Requisition and forwards to the designated Purchasing Department prior to entering into a Financial Commitment for any and all procurement of goods or services.

4.2 Where applicable, Single/Sole Source Justification Forms are to be completed by the requestor and forwarded to the designated Purchasing Department along with an authorized Purchase Requisition.

4.3 The designated Purchasing Department will review and determine the most appropriate method to facilitate the purchase in accordance with the Purchasing Policy. (purchasing methods include, but are not limited to: Purchase Orders, Petty Cash, Procurement/Credit Cards, Cheque Requisitions, Pre-paid orders, Statements of Work).

5.0 **REFERENCES:**

5.1 WRHA Policy # 10.00.050 - Delegation of Signing Authority Limits

5.2 The Agreement on Internal Trade (Canada) 1995 (www.intrasec.mb.ca)

5.3 Manitoba Health Procurement Services

<http://www.gov.mb.ca/gs/psb/tradeagree.html> or
<http://contractscanada.gc.ca/en/biddin-e.htm>

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