

Purchasing and Procurement			
Section	Finance	Policy Owner(s): Director, Finance	
Authorized by	Board	Date	Nov 15, 2023
Applies To	All Staff who have the authority to enter into contracts and authorize expenses	Archive versions	October 2016 April 2014 November 2011
Reference:	Ministry of Health, Broader Public Sector Procurement Directive, Jan 1, 2024		Page 1 of 5

Policy:

Aptus Treatment Centre shall endeavor to receive maximum overall value for money when procuring goods, services and consulting services. The approach to meeting this objective is through procurement strategies, practices and procedures that support sound business decisions and encourage fair, non-discriminatory and transparent competition.

Aptus Treatment Centre is committed to ensuring compliance with the updated 25 mandatory requirements set forth in the Broader Public Sector Procurement Directive effective January 1, 2024, including contract law, the laws of competitive processes, privacy legislation, accessibility legislation and any other legislation as may be applicable.

<https://files.ontario.ca/tbs-bps-procurement-directive-en-2023-08-23.pdf>

Scope:

The Procurement Policy applies to all Aptus personnel who have a role in procurement processes and decisions.

Objectives:

- ***Customer Satisfaction***
 - To procure quality goods and services in the appropriate quantity and time and to fully satisfy customer requirements and assist in providing the highest standards in patient care.
- ***Business Analysis***
 - To support sound business analysis and encourage meaningful participation of suppliers in a competitive process prior to the establishment of a business relationship or the award of a contract.
- ***Process***
 - To solicit, using the highest standards of professionalism and ethical conduct, tenders or proposals from which to make a choice for award of a purchase order or contract. The form of competitive bidding, solicitation and contract will be auditable, open, without favoritism and the most appropriate for the related requirement.

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- **Risk Management**
 - To reduce business risk and the potential for internal and external conflicts of interest through the application of specific and transparent policies
- **Employee Productivity/Satisfaction**
 - To provide clear direction and expectations for employees.
- **Lowest Overall Cost**
 - To procure quality goods and services at the lowest overall cost. Lowest overall cost is not necessarily the lowest price for goods and services. Life cycle or total long-term costs, which give consideration to overall value, are the relevant costs on which procurement decisions will be based.
- **Donations**
 - To promote fair and equitable treatment of all suppliers. In particular, any previous acceptance of funds to support programs will not grant preferential treatment to suppliers who provided them.
- **Proprietary Information**
 - To ensure that all information relating to goods and services requirements is considered proprietary and will be disclosed to suppliers only as appropriate in the circumstances.
- **Dealing with Suppliers**
 - To treat suppliers with courtesy, fairness, respect, honesty and professionalism; and to ensure that no supplier has an unfair advantage over its competitors and to respect and not disclose Suppliers' confidential information

Approval to Purchase:

The Board of Directors authorizes the annual expenses of the agency by approving the annual budget but only within the expenditure limits prescribed below. For any purchases not incorporated into the fiscal budget, the Board of Directors delegates a limited authorization responsibility to the CEO. However, the Board of Directors shall be informed of major purchases that have the potential to affect the direction or financial results of the agency. The Board requires the CEO to obtain Board authorization for purchase commitments (individual purchase orders or supplier contracts) longer than 2 years or greater than \$50,000.

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Staff requesting the purchase of goods, equipment or services within the approved budget shall complete a Purchase Requisition except for payments to temporary agencies, course registrations, business expense reimbursements and other items not normally invoiced which will be reimbursed through a cheque requisition. Purchase cards are to be used for food and other smaller (<\$250.00 purchases). Only individuals with the appropriate authority can approve a requisition within the approved budget according to the table below:

Dollar Threshold	Authority Level
Up to \$500	Supervisor
\$500 up to but not including \$2,000	Manager
\$2,000 up to but not including \$5,000	Director
\$5,000 up to but not including \$25,000	Director of Finance
\$25,000 up to but not including \$50,000	CEO
Greater than \$50,000	CEO & Board of Directors

Special authorization is required if the amount of the requisition is over a certain limit or an unbudgeted expense (see Policy – Unbudgeted Expenses)

Quotation Guidelines

Only purchasing staff or the Director of Finance, or CEO are authorized to issue Tender calls, negotiated contracts, request quotations and issue Purchase Orders on behalf of Aptus Treatment Centre. Upon receipt of the approved requisition for goods, equipment or services, Purchasing will complete the competitive pricing as follows:

Goods, Non-consulting Services and Construction	
Total Procurement Value	Means of Procurement
\$0 up to but not including \$100	Petty Cash
\$100 up to but not including \$1,000	Procurement Card (Pcard)
\$1,000 up to but not including \$5,000	2 quotes
\$5,000 up to but not including \$10,000	3 quotes
\$10,000 up to but not including \$100,000	Invitational competitive procurement (minimum of 3 suppliers are invited to submit a bid)
\$ 100,000 or more	Open competitive process (sealed quotes and receipt by a specific deadline – selection by Director’s Team – minimum of 3 members)

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Consulting Services		
Total Procurement Value	Means of Procurement	Authority Level
\$0 up to but not including \$100,000	Invitational (minimum of 3 quotes) or open competitive process	Director of Finance & CEO
\$100,000 or more	Open competitive process	Board of Directors

Exceptions to the competitive process guidelines above for procurements greater than \$2,000(Goods)/\$3500 (Services) must be approved by the Director of Finance. In the case of consulting services greater than \$5,000, exceptions must be documented and approved by the President and CEO or Board of Directors.

For open tender invitations, requirements must be defined properly and clearly so that potential vendors can submit valid and responsive submissions, bids and proposals and the procurement documents must include proposed contract terms and conditions.

Documentation must be maintained which indicates any evaluation process and rationale related to quotation /tender selection.

Segregation of Duties:

Aptus Treatment Centre will ensure segregation of at least three of the five functional procurement roles listed below with different departments or with different individuals:

- Requisition
- Budgeting
- Commitment
- Receipt
- Payment

Contracts:

Prior to the commencement of any contract, Aptus will ensure:

- Contracts are entered into when there is an advantage to it in doing so.
- A full range of potential arrangements is investigated before entering into an exclusive contract.
- Legal assistance or advice is obtained if necessary for any non-standard clauses.
- All contracts entered into are reviewed and approved by the CEO or Director of Finance..
- As best practice, contractor must provide proof of liability insurance and WSIB coverage

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where appropriate.

- The agency also ensures that a completed copy of the final contract is made available to all other signatories.
- The original signed contract is kept in a secure place in the finance department.
- All Purchase of Service contracts must meet the agency conflict of interest guidelines.
- At least 3 months prior to the completion of the contract, Purchasing reviews and plans for the renewal or tendering of the contract following the above procedure.
- At the minimum, each Purchase of Service contract entered into by the agency, shall provide the following information:
 - the nature of the service
 - the financial obligations agreed to
 - the period of time that the contract covers
 - the invoicing procedure or a payment schedule
 - a termination clause
 - a table of contents regarding the negotiated work plan
 - authorization by CEO or Director of Finance on behalf of agency
 - any regulatory requirements e.g., QAM, MOL, WSIB, etc.

INFORMATION REQUIRED FOR PROPER PAYMENT AUTHORIZATION:

- All invoices are approved prior to payment
- Authorization is to include:
 - **Date** - Date of request
 - **Completed by** - Name of the person completing the form (If a cheque requisition)
 - **Payable to** - The name and complete address of the payee
 - **Description** - Reason for payment cross-referenced to supporting details or documents and attached to the requisition
 - **Coding section** - The account code or codes to be debited and the corresponding amounts with taxes (PST and HST) Identified separately
 - **Amount** - Total amount of the cheque to be issued
 - **Approved by** - Requires authorized signature
 - **Special delivery instructions** - If the cheque is not to be directly routed to the payee then the appropriate routing instructions need to be reported in this space
 - **Date required** – Record date cheque is required if different from regular cheque run

Supply Chain Code of Ethics: Aptus Treatment Centre has formally adopted the Ontario Broader Public Sector Supply Chain Code of Ethics (see Business and Supply Chain Code of Conduct Policy).