

MOUNT SINAI HOSPITAL
Joseph and Wolf Lebovic Health Complex



Broader Public Sector
Supply Chain Guidelines

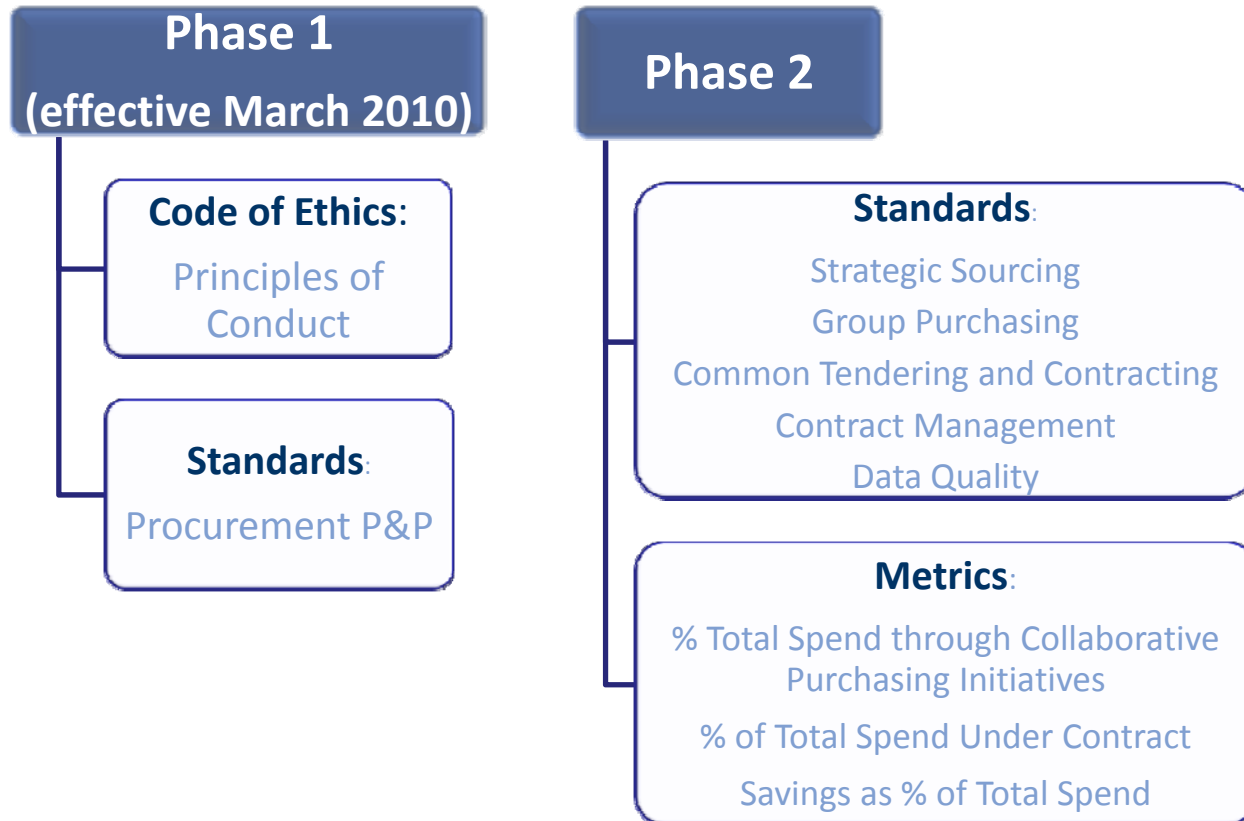
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What is the Broader Public Sector (BPS) Supply Chain Guideline?

What is the BPS SCG?

- In March 2008, Treasury Board of Cabinet directs development of SCG
- OntarioBuys is a program of the Ontario Ministry of Finance that provides funding and advice to the province's broader public sector (BPS) partners – principally, hospitals, school boards, colleges and universities – to help them modernize their supply chains and other back office processes
- In April 2009, the SCG was issued by OntarioBuys with expected compliance starting in April 2010
- The SCG is to be incorporated in accountability agreements with BPS entities in the health and education sectors receiving more than \$10M in funding per year

BPS Supply Chain Guideline



Code of Ethics

- **Goal:** An ethical, professional and accountable supply chain
- **Personal Integrity and Professionalism**

All broader public sector (BPS) supply chain participants 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 BPS organizations, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. Participants must not accept gifts and favours, provide preferential treatment, publicly endorse suppliers or products or engage in any other activity that would create, or appear to create, a conflict of interest.
- **Accountability & Transparency**

Supply chain activities must be open and accountable. In particular, tendering, 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 scarce public sector resources are used in a responsible, efficient and effective manner.
- **Compliance & Continuous Improvement**

All BPS supply chain participants must comply with this Code of Ethics and the laws of Canada and Ontario. Participants should continuously work to improve supply chain policies and procedures, to improve supply chain knowledge and skill levels, and to share leading practices.

Purchasing Policies and Procedures

Approval Authority Levels

1. Segregation of Duties
2. Approval Authority

Competitive vs. Non-Competitive Procurement

3. Competitive vs. Non-Competitive Procurement Process Determination

Competitive Procurement

4. Information Gathering
5. Pre-Qualification

Purchasing

6. Advertising and Posting Competitive Documents to Market
7. Timeline for Posting Competitive Procurements

Evaluation

8. Bid Receipt
9. Evaluation Criteria
10. Evaluation Process
11. Evaluation Team
12. Evaluation Matrix

13. Selection Process

14. Tie Score Process
15. Non Discrimination

Contract Award

16. Executing the Contract
17. Establishing the Contract
18. Termination and Cancellation Clauses
19. Contract Extensions

20. Award Notification

21. Vendor Debriefing Notification

Non-Competitive Procurement

22. Non-Competitive Procurement Documentation

Procurement Documents and Records Retention

23. Document and Records Retention

Conflict of Interest

24. Consideration towards Conflicts of Interest

Dispute Resolution Process

25. Dispute Resolution Process Compliance

What roles will you play?

What role(s) will you play?

- Assist with capital plan development
- Consultants on evaluation criteria and technical specification development
 - Providers of advance review of proposals to assess compliance with mandatory compliance (pass/fail)
 - Participants on evaluation committees scoring proposals
 - Assist with tie score resolution methodology
- Contribute to de-briefing messaging

What should you do generally?



What should you do?

- Declare Conflicts of Interest
- Maintain Confidentiality
- Ensure key documentation is retained



Declare Conflicts of Interest

- Conflicts of Interest apply to all employees, advisors, external consultants and suppliers
- Anyone involved in supply chain related activities must declare all actual or perceived/potential conflicts of interest

Maintain Confidentiality

- Vendor contact should not occur during open procurements
- Need to be careful even when sharing the fact that your organization may be going to market
- Details of submitted proposals cannot be shared with other proponents



Ensure Key Documents are Retained

- Ensure important analysis and assessments are retained in the purchasing file
- The SCG requires such documentation be retained *in recoverable form* for at least 7 years

Capital Plan Development

What should you know?

- Purchasing BPS organizations must provide suppliers a minimum response time of 15 calendar days for procurements valued at \$100,000 or more
- In any event, you must give vendors enough time to prepare responses in order to get the best value
- We aim to limit post-proposal submission negotiations but they almost always occur with the leading proponent
- You will probably be competing for the attention of your purchasing department/shared service organization

What should you do?

- Plan very far ahead
 - These processes take a long time
- Look even further ahead
 - Is there a case for standardization?
 - If so, ensure this is reflected in your go-to-market strategy
 - To avoid future sham procurement processes or weak sole sourcing justifications
 - Can move quickly when \$ is found

Evaluation Criteria / Spec Development

What should you know?

- Selection must be based on:
 - Highest ranked submission(s)
 - Have met all mandatory requirements
 - Unless expressly requested in the procurement documents, organizations must not consider alternative strategies or solutions proposed by a supplier.

What should you know?

- Criteria must:
 - Be developed, reviewed & approved before competitive process begins
 - Be included in the competitive documents
 - Identify those which are considered mandatory
 - Identify technical standards

What should you know?

- Cannot be changed once the process begins
- Typically include three components:
 - Mandatory requirements (pass/fail)
 - Rated/general requirements
 - Price/cost
- Everything you say or document must be fair, factual, fully defensible and may be subject to public scrutiny

What should you do?

- Know your business
 - When will you next need to buy it again?
 - The life cycle of the equipment
 - Vendor pricing structures
 - Who's using what and why
 - The roles of resellers, brokers, distributors, manufacturers
- Know what really needs to be purchased
 - Common warranty structures
 - Training requirements
 - Installation requirements

What should you do?

- Know what really matters
 - Use this as your tie score methodology
 - Ensure weighting reflects your priorities
 - Ensure all the right people have been consulted like:
 - OHS
 - Infection Control
 - User groups
 - Maintenance teams

Debriefing

What should you know?

- All suppliers who participated in the procurement process must be notified of their entitlement to a debriefing in the RFx document
- Time to respond: 60 calendar days

What should you do?

- Do not engage in informal discussions with losing proponents
- Know who the appropriate contact person is
- Help the purchasing department understand what the vendor community is going to want to understand

Operational Benefits + Challenges

What are the benefits?

- Greater bottom line savings;
- Could increase depth to some previously shallow markets;
- Increased leverage in negotiations;
- Will assist with fraud prevention;
- Requires a higher degree of document management than may currently exist in the organization.

What are the challenges?

- Adding resources in times of budgetary constraint;
- Requires a higher degree of planning;
- Everything a tender - can create risks that undermine the value of the process;
- Dispute resolution requirements;
- Detailed evaluation criteria and weighting disclosure;
- Lack of debriefing skills may fuel un-founded complaints;
- Bid protest procedures.

References

- <http://www.fin.gov.on.ca/en/ontariobuys/documents/scg.html>

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