

## Procurement Policy

Reviewed Date		Number	FI0107
Revised Date	December 18, 2025	Approved Date	February 16, 2000

### Introduction

The Board of Health for the Simcoe Muskoka District Health Unit is responsible for the effective management of the resources used in the delivery of the public health programs and services. In accordance with the Procurement Requirements of Section 271 of the Municipal Act, 2001, S.O. 2001, the Board of Health shall adopt policies with respect to its procurement of goods and services.

Board policies and practices for the acquisition of goods and services are developed in accordance with the laws of Canada and Ontario, consistent with the Ontario Public Health Standards, good procurement practices and applicable government directives.

### Purpose

The purpose of this policy is to inform SMDHU Board of Health members and employees of the process to be used for the procurement of goods and services to ensure they are acquired through a process that is open, fair and transparent with appropriate authorization.

### Legislative Authority

*Municipal Act, 2001 Section 270 (2)*

*Ontario Public Health Standards, September 2025*

*Municipal Freedom of Information and Protection of Privacy Act*

*Broader Public Sector Accountability Act, 2010*

### Policy Definitions

**Bid Evaluators:** management-level employees who participate in the procurement evaluation process and recommend the award of contracts to successful proponents. With prior approval, non-management employees may participate in the selection process.

**Change Order:** an amendment to an existing contract or purchase order which modifies the original document's scope of work or cost.

**Competitive Procurement:** a set of procedures for developing a procurement contract through a bidding or proposal process. The intent is to solicit fair, impartial competitive bids.

- **Invitational Competitive Process:** Any method in which a minimum of three (3) qualified suppliers are invited to submit a written proposal in response to defined requirements provided by the agency.
- **Open Competitive Procurement:** Any method in which qualified suppliers are invited to submit a written proposal in response to defined requirements established by the agency to enable a fair and open competition.

**Professional Services:** The provision of expertise, strategic advice or licensed professional services. for consideration and decision-making.

**Contract:** A written or verbal agreement between two or more parties to lease or purchase goods or services within a defined time period.

**Tendering System:** A computer-based platform that provides vendors with access to information related to open competitive procurements. Examples include: biddingo.com and merx.com.

**Informal Request for Quote:** A request for a minimum of three quotes. If written quotes are not available, the buyer can prepare a summary of verbal quotes.

**Internal Controls:** Mechanisms in the procurement process that reduce the risk of inappropriate, unauthorized, or unlawful expenditures. Internal Controls provide oversight that purchases have been authorized, that goods or services have been received, and that funds exist to meet the expenditure.

**Procurement:** The acquisition of goods, services, software or construction by any means including purchase, rental, lease or conditional sale.

**Purchase:** The act of acquiring ownership of a good or service.

**Purchase Order:** A written offer made by a purchaser to a supplier formally stating the terms and conditions of a proposed transaction.

**Purchasing Card:** A payment method whereby duly authorized employees of the Health Unit are empowered to purchase directly from suppliers/contractors/vendors using a credit card provided by the Health Unit.

**Requests for Expressions of Interest (RFEI):** A process used to gather information about supplier interest in an opportunity, or information about supplier capabilities/ qualifications. It is used to gain a better understanding of the capacity of the supplier community.

**Request for Information (RFI):** A process issued to gather general supplier, service or product information.

**Request for Proposal (RFP):** A process used to invite suppliers to propose solutions for delivering products or services, or to provide alternative options or solutions. Proposals are evaluated based on predefined criteria where price is not the sole factor.

**Request for Quotation (RFQ):** A process similar to a Request for Tender in which an organization specifies exactly what is to be purchased. The evaluation is based solely, or primarily, on price and delivery.

**Request for Tender (RFT):** A process that requests supplier responses to goods or services based on specific delivery requirements, performance expectations, terms and conditions. An RFT focusses evaluation criteria primarily on price and delivery requirements.

**Sole Source:** A non-competitive procurement method used when there is only one available supplier for the source of the goods or service.

**Supplier/Vendor:** Any person or organization that is capable of fulfilling the procurement requirements.

**Supply Chain:** The full range of processes that manage the flow of goods, services, information and funds between suppliers and end users, as well as the supporting infrastructure required to enable these processes.

**Total Acquisition Cost:** The total cost of ownership including purchase price, non-refundable taxes, tariffs and import costs, warranties, delivery, disposal, installation, and the cost of any optional extensions, expressed in Canadian dollars.

**Vendor Of Record:** A procurement arrangement, typically established through an RFP, that authorizes one or more qualified vendors to provide goods and/or services to the agency for a defined period under pre-established terms and conditions, including pricing, as set out in a contract.

## **Policy**

The Board of Health ensures that a procurement process is established that:

- is fair, open, transparent and encourages competitive bidding;
- is conducted with a view to obtaining the best value for public money;
- is in compliance with federal and provincial laws;
- standardizes processes for effective and efficient planning, monitoring and control of procurement activities;
- does not facilitate any transaction for personal use or personal gain;
- addresses unforeseeable circumstances that could not be planned for which require immediate procurement decisions to prevent or alleviate serious delay, a threat to public health, safety or welfare, or the disruption of essential services or damage to public property.

The Board of Health and all employees are expected to comply with the health unit's procurement policy including the Principles and Procedures.

### **1. Procurement Principles: Delegation of Responsibility**

The Board of Health delegates responsibility to the Medical Officer of Health/Chief Executive Officer (MOH/CEO) who works in conjunction with the Vice President Corporate Services/Chief Financial Officer (CFO) to establish, and monitor compliance with, purchasing and contracting procedures and practices consistent with the purpose, principles and limitations defined within the Board Policy #121 Delegation of Authority and Execution of Agreements. Procurement procedures used shall ensure that purchases of goods and services meet defined requirements for suitability, quality, safety, and delivery at the most economical price.

The MOH/CEO shall ensure that procurement planning is an integral part of operations such that all business requirements are met and sufficient time is allowed to complete the procurement process.

### **2. General Parameters**

Before engaging in a bid or tender process, the capacity available internally to complete or partially complete the required work shall be assessed prior to seeking external parties to fulfill these responsibilities.

When assessing the estimated dollar value of the purchase to determine procurement process requirements, the greater of the following apply:

- The cost of all goods or services being awarded taken in their entirety excluding taxes and not broken down into component parts.
- The cumulative value of multiple purchases of similar goods or services (excluding taxes) over a calendar year.

- The total value of the contract (excluding taxes) being awarded to the same individual/company over the term of that contract whether for a single or multiple years.

No contract, purchase or request for service shall be divided in any way to avoid the requirements of this policy.

The Health Unit shall not compensate or reimburse for the preparation and submission of proposals, tenders or quotations.

### **3. Conflict of Interest**

Employees involved in the procurement of any good or service on behalf of the agency must not engage in any activity that may create, or appear to create, a conflict of interest. A conflict of interest is any situation where an individual is compromised in their ability to make impartial decisions including transactions involving non-arms length parties such as family, friends, other employers and non arms-length associates. Other examples include accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products.

All employees must declare any possible or perceived conflicts of interest to their immediate supervisor before engaging in procurement discussions with any third party. Depending on the nature of the conflict of interest, immediate supervisors must engage with their Vice-Presidents or the CFO to determine how to mitigate real or perceived conflict of interest in the particular procurement activity. The Conflict of Interest for Procurement Declaration Form FI0107(F2) should be utilized in all instances of perceived or real conflict.

No purchases shall be made by the Health Unit on behalf of elected members and/or employees of the Health Unit through the quotation or tender process.

No employees of the Health Unit shall tender or quote on goods and services to be obtained by the Health Unit.

### **4. Cooperative Purchasing or Buying Groups:**

SMDHU encourages the use of approved common marketplaces and collaborative purchasing. Authorized collaborative purchasing groups are approved by the CFO and found in [Appendix A](#). The use of approved common marketplaces precludes the need to utilize a competitive procurement process.

The Health Unit may also enter into arrangements with municipalities, public boards and other public bodies or public authorities receiving public funding on a cooperative basis where there are economic advantages and where the best interests of the Health Unit would be served in doing so. If the competitive procurement process is administered by another party in the contract, SMDHU does not conduct its own competitive procurement process provided the other party supplies supporting documentation and their procurement processes align with the agency's. For example, the selected process must reflect the total spend of all parties.

All contracts should be viewed from the perspective of fair market value, transparency, and value for money.

## 5. Types of Competitive Procurements:

### a) Request for Proposal (RFP)

An RFP provides an efficient, standardized and competitive process for obtaining unique proposals designed to meet broad outcomes to a problem or need. The selection is based on the proposal that earns the highest score and meets the requirements specified in the competition, based on qualitative, technical and pricing considerations. Evaluation criteria must be developed, reviewed and approved prior to commencement of the competitive procurement process. Competitive procurement documents must fully disclose the evaluation methodology and process to be used in assessing submissions.

For RFPs estimated to be greater than \$100,000 the request is publicly advertised and posted on an electronic tendering system approved by the CFO. Bids are opened and announced at a public meeting (excluding proprietary information).

For RFPs estimated to be less than \$100,000 the request is publicly advertised and posted on an electronic tendering system approved by the CFO. Bids are opened by at least two (2) management staff with submissions and pricing witnessed and signed.

### b) Request for Quote (RFQ)

A request for quote can be used for purchases not exceeding \$50,000 excluding taxes where all the following criteria apply:

- Two or more sources are considered capable of supplying the requirement
- The requirement is adequately defined to permit the evaluation of quotes based on price and delivery
- It is expected that the lowest compliant bid shall be accepted without negotiation

For RFQs with an estimated total value of \$25,000 or less, invitational bids may be solicited bids or may be supplemented with posting on the agency website or posting on electronic tendering systems.

RFQs with an estimated total greater than \$25,000 must be posted on the agency website and may be posted on electronic tendering systems.

### c) Request for Information (RFI) or Request for Expressions of Interest (RFEI)

These processes may be used to assess market capabilities to provide the goods and services the health unit is seeking. An RFI is used to gather general supplier and product information. An RFEI is used to gather information about the supplier interest in an opportunity and information about the supplier capabilities and qualifications. An RFI or RFEI shall not:

- Contain a means of evaluating or comparing the collected information
- Result in an award of work or be used to pre-qualify potential suppliers
- Result in a legal contract
- Require suppliers to provide proprietary information

### d) Tender

A request for tender shall be used for purchases where the total acquisition cost excluding taxes exceeds \$50,000 and all of the following criteria apply:

- Two or more sources are considered capable of supplying the requirement
- The requirement is adequately defined to permit the evaluation of tenders based on price and delivery
- It is intended that the lowest compliant bid shall be accepted without negotiation.

The tender is publicly advertised and posted on electronic tendering systems. Bids are opened and announced at a public meeting (excluding proprietary information).

## 6. Competitive Procurement Process Thresholds

Procurement Process Thresholds for the procurement of materials, supplies, services, equipment and furnishings are detailed in Table A.

**Table A**

Value of Goods and Services (\$)*	Means of Procurement (Minimum Requirement)
Less than \$2500	Buyer assesses estimated fair market value of purchase and compares to potential supplier bid. No formal quotation process is necessary.
\$2501 up to \$10,000	Buyer collects three written quotes from the supplier using an informal process. If written quotes are not available, the buyer prepares a summary of verbal quotes.
\$10,001 up to \$25,000	Buyer utilizes an Invitational Competitive process – any form of request (RFP, RFQ) which includes a minimum of three (3) qualified suppliers to submit a written quote/proposal in response to the defined requirements.
\$25,001 up to \$100,000	Buyer utilizes an Open Competitive Procurement process: A Request for Tender or RFP I posted publicly requesting qualified suppliers to submit a written proposal in response to the defined requirements outlined by SMDHU.
Greater than \$100,000	Buyer utilizes an Open Competitive Process For purchases valued at over \$100,000: the tender or RFP must be posted on electronic tendering systems in keeping with Ontario trade agreements.

\*Amounts exclude applicable taxes

Procurement Process Thresholds for the **procurement of professional services** are detailed in Table B. All professional services must follow a competitive procurement process.

**Table B**

<b>Value of Professional Services (\$)*</b>	<b>Means of Procurement (Minimum Requirement)</b>
\$0 up to \$10,000	Buyer assesses estimated fair market value of purchase and compares to potential supplier bid. No formal quotation process is necessary but a Conflict of Interest Declaration Form is submitted to Finance.
\$10,001 up to \$25,000	Buyer utilizes an Invitational Competitive Process – an RFP requesting a minimum of three (3) qualified suppliers to submit a written quote/proposal in response to the defined requirements outlined by SMDHU.
\$25,001 up to \$100,000	Buyer utilizes an Open Competitive Procurement Process: An RFP which ensures qualified consultants submit a written proposal in response to the defined requirements outlined by SMDHU which enables all consultants to compete in a fair and open environment.
Greater than \$100,000	Buyer utilizes an Open Competitive process. For purchases valued at over \$100,000, the tender or request for proposal must be posted on electronic tendering systems in-keeping with Ontario trade agreements.

\*Amounts exclude applicable taxes

## **7. Approval Authority Schedule (AAS)**

The procurement of goods and services and/or professional services must be approved by an appropriate authority as outlined in Table C.

**Table C**

<b>Total Procurement Amount (\$)*</b>	<b>Delegated Purchasing Authority Level</b>
up to \$2,500	Supervisor
up to \$5,000	Program Manager
up to \$50,000	Vice-President
up to \$150,000	Medical Office of Health/Chief Executive Officer
Greater than \$150,000	Board of Health. The Board of Health may delegate approval authority to the Medical Officer of Health as it deems necessary.

\*Amounts exclude applicable taxes

## **8. Non-Competitive Procurements:**

The Health Unit may utilize non-competitive procurement in situations outlined in the following exemptions:

- When there is a market-based monopoly on the item (e.g., utilities) or the item is in short supply due to market conditions.
- When no bids are received in an open competitive process or all quotations and/or tenders fail to comply with the specifications or terms and conditions and it is impractical to reissue the call for tenders or quotations.
- Where the service being purchased is of a confidential or privileged nature and disclosure of those matters would be contrary to the agency interest
- When the required item is covered by an exclusive right such as a patent, copyright or exclusive license
- When it is necessary to ensure compatibility with existing products or technology or to avoid violating and/or voiding existing warranty/guarantee requirements
- Where work is to be performed on or about a leased building or portions thereof that may be performed only by the lessor
- When the purchase is already covered by a lease-purchase agreement where payments are partially or totally credited to the purchase
- Where the agency has a rental contract or contract with a purchase/rental extension option and such purchase / rental extension option may be beneficial to the agency.
- Advertising services required by the health unit including but not limited to radio, television, newspaper, social media
- Procurement of training and education (including but not limited to: registration and tuition fees for conferences, conventions, courses and seminars, magazines, books and periodicals, memberships and association fees)

Prior to commencement of any non-competitive procurement transaction, the Buyer must complete a FI0107 (F2) Non-Competitive Procurement Form obtaining approvals. This form must be validated by SMDHU Finance prior to engaging in a procurement process or establishing a Purchase Order.

Approval by the Vice-President is required for Non-Competitive Procurement transactions less than \$30,000. Approval of the Medical Officer of Health/Chief Executive Officer is required for non-competitive procurement transactions exceeding \$30,000.

## **9. Special Circumstances**

The Medical Officer of Health/CEO may authorize procurement of goods or services outside the parameters of this policy in the event of special circumstances when there is either an unforeseen situation of urgency where the goods and services cannot be obtained in time through a competitive process or when a situation arises where the Medical Officer of Health/CEO deems it to be in the best interest of the agency to ensure the effective and efficient operation of the agency is maintained.

The Medical Officer of Health/CEO cannot exempt the procurement process from the Conflict of Interest parameter of this policy.

An unforeseen situation or emergency does not occur where the Health Unit has failed to allow sufficient time to conduct a competitive process.

## **10. Requirement for Contract**

Contract to purchase must take the form of a purchase order, legally executed agreement, or blanket contract (standing agreement/offer). Employees must have an authorized contract to purchase prior to indicating to a supplier that an order is authorized to proceed.

Authorization of the purchase must be provided via SMDHU's financial system in accordance with the Approval Authority Schedule **before** the supply of goods or services commences. Supplier performance and compliance with procurement contracts shall be monitored and documented and any performance issues shall be addressed by the Approval Authority or designate.

## **11. Purchasing Cards/Credit Cards**

Purchases made on Credit Cards must follow normal procurement and approval processes.

## **12. Change Orders**

Any amendment to an existing contract or purchase order must be added or subtracted from the original document through a change order. Approval thresholds of the amended contract or purchase order are determined by the total value of the contract. If the total value of all change orders exceeds 20% of the original contract or purchase order, a Non-Competitive Procurement Form must be included with the change order request.

## **13. Records Management and Access to Information**

The Board of Health is committed to an open procurement process and facilitating disclosure of information about procurement on a timely and routine basis. All records relating to procurement are maintained, retained, stored, and disposed of in accordance with the records management policies of the agency.

Confidential information shall be safeguarded. The disclosure of procurement records shall be in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, as amended.

Contract award notification for transactions greater than \$100K shall be posted publicly on SMDHU's website after the agreement between the successful supplier and the health unit is executed.

## ***Procedures***

### ***Purchasing Goods from a Vendor on a Recognized & Active Contract/Standing Agreement***

1. Program staff member prepares a Purchase Requisition (PR) in the Financial System referencing the contract number and program that will be charged for the expenses.
2. Program staff member routes the PR for approval.
3. Approver(s) authorizes the PR in the Financial System. The PR is routed to the appropriate Approver(s) based on pre-defined rules in the system.
4. Procurement staff review the PR and issue a Purchase Order (PO) to the vendor.

*Purchasing Goods from a Vendor requiring estimated fair-market value or 3 Quotes*

1. Program identifies requirements and contacts vendors in writing whenever possible
2. Program collects quotes and reviews them, selecting the preferred vendor
3. Program staff member prepares a Purchase Requisition (PR) in the Financial System attaching copies of quotes and correspondence to the PR and indicating the program that will be charged for the expenses.
4. Program staff member routes the PR for approval.
5. Approver(s) authorizes the PR in the Financial System. The PR is routed to the appropriate Approver(s) based on pre-defined rules in the system.
6. Procurement staff review the PR and issue a Purchase Order (PO) to the vendor.

*Purchasing Goods from a Vendor requiring an RFQ/RFP/RFT*

1. Program completes a FI0107 (F1) Procurement Process Initiation Form and emails it to [purchasing@smdhu.org](mailto:purchasing@smdhu.org), copying the Manager, Finance & Corporate Operations
2. Procurement staff review the completed Procurement Process Initiation Form and prepare a draft template for review by the identified Bid Evaluators
3. Procurement staff post the RFQ/RFP/RFT and facilitate vendor questions during the posting period
4. At least two (2) Bid Evaluators open vendor bid documents
5. Bid Evaluators review the bid documents individually, complete scoring sheets, and send results to Procurement
6. Procurement compiles individual bid scoring and books a review meeting
7. Bid Evaluators review results together and determine the successful vendor
8. Procurement staff member notifies vendors
9. Program staff member prepares a Purchase Requisition (PR) in the Financial System attaching copies of quotes and correspondence to the PR and indicating the program that will be charged for the expenses.
10. Program staff member routes the PR for approval.
11. Approver(s) authorizes the PR in the Financial System. The PR is routed to the appropriate Approver(s) based on pre-defined rules in the system.
12. Procurement staff review the PR and issue a Purchase Order (PO) to the vendor.

*Purchasing Goods from a Sole-Sourced Vendor*

1. Program identifies purchasing requirements
2. Program prepares a FI0107 (F2) Non-Competitive Procurement Form receives approval.
3. Program staff member prepares a PR in the Financial System attaching the authorized NCP form and relevant correspondence to the PR and indicating the program that will be charged for the expenses.
4. Program staff member routes the PR for approval.
5. Approver(s) authorizes the PR in the Financial System. The PR is routed to the appropriate Approver(s) based on pre-defined rules in the system.
6. Procurement staff review the PR and issue a Purchase Order (PO) to the vendor.

### ***Related Policies***

FI0106 Petty Cash  
FI0111 Use of Agency Issues Credit Cards/ Purchasing Cards  
GEN0107 Emergency Response

### ***Related Forms***

FI0107 (F1) Procurement Process Initiation Form  
FI0107 (F2) Non-Competitive Procurement Form  
FI0107 (F3) Conflict of Interest for Procurement Declaration Form  
Procurement Process Decision Tree

### ***Related Resources***

Financial System User Guide

***Final Approval Signature:*** \_\_\_\_\_

### **Review/Revision History:**

December 18, 2025 – Policy revised adding new forms  
March 16, 2016 – Policy Statements revised, policy renamed  
September 2010 – Policy-renumbered, previous number C2.030  
2006, October 18 – revised and consolidated C2.020 Contracting Services and C2.030 Purchasing

## **Appendix A: Approved Cooperative Purchasing or Buying Groups**

<b>#</b>	<b>Name</b>	<b>Contact Information</b>	<b>Expiry Date</b>
<b>1</b>	OECM	oecm.ca	On-Going
<b>2</b>			
<b>3</b>			

*\* For Access to the Buying Portal, Contact Information or Additional Details, please contact Purchasing at [purchasing@smdhu.org](mailto:purchasing@smdhu.org).*