

GOVERNANCE MANUAL

SUBJECT:	MOH/CEO Performance Appraisal	POLICY NUMBER:	G-050
SECTION:	Leadership and Board Management	PAGE:	1 of 2
IMPLEMENTATION:	December 8, 2016	APPROVAL:	Board of Health
SPONSOR:	MOH/CEO	SIGNATURE:	
REVIEWED BY:	Governance Committee	DATE:	November 15, 2018

PURPOSE

An essential part of determining the health unit's performance is the appraisal of the Medical Officer of Health and Chief Executive Officer (MOH/CEO). The MOH/CEO is accountable to the Board of Health for leading the health unit and implementing Board direction and decisions. The MOH/CEO also manages all aspects of the health unit's operations.

POLICY

The performance appraisal is a systematic process to support and assess job performance in relation to established criteria and organizational objectives. The evaluation should not only highlight the achievement of desired outcomes but reflect how well the outcomes were achieved. It should emphasize how the MOH/CEO's performance reflects the health unit's values, vision, mission, mandate and policies and contributed to the achievement of the strategic goals.

It is one of several processes used by the Board of Health and the MOH/CEO to negotiate, articulate and review progress in meeting agreed upon performance standards and expectations.

Refer to the appendices for the MOH/CEO Performance Appraisal Procedure and additional tools to assist with the process.

APPENDICES

Appendix A – MOH/CEO Performance Appraisal Procedure
 Appendix B – MOH/CEO Performance Appraisal Checklist
 Appendix C – MOH/CEO Performance Appraisal Form
 Appendix D – Stakeholder Feedback Process
 Appendix E – Sample Stakeholder Email
 Appendix F – Sample Stakeholder Listing

APPLICABLE LEGISLATION AND STANDARDS

Ontario Public Health Standards: Requirements for Programs, Services, and Accountability, 2018

MIDDLESEX-LONDON HEALTH UNIT

GOVERNANCE MANUAL

SUBJECT: MOH/CEO Performance
Appraisal

POLICY NUMBER:

G-050

SECTION: Leadership and Board
Management

PAGE:

2 of 2

RELATED POLICIES

G-010 Strategic Planning

G-020 MOH/CEO Direction

G-030 MOH/CEO Position Description

REVISION DATES (* = major revision):
2019-11-21

MOH/CEO Performance Appraisal Procedure

Principles

1. An essential part of determining the health unit's performance is the appraisal of the Medical Officer of Health and Chief Executive Officer (MOH/CEO). The MOH/CEO is accountable to the BOH for leading the health unit and for implementing its decisions. The MOH/CEO leads and manages all aspects of the health unit's operations.
2. The performance appraisal is a systematic process to support and assess job performance in relation to established criteria and organizational objectives. The evaluation should not only highlight the achievement of desired outcomes but reflect how well the outcomes were achieved. It should emphasize how the MOH/CEO's performance reflects the health unit's values, vision, mission, mandate and policies and has contributed to the achievement of the strategic goals.
3. It is one of several processes used by the Board of Health and the MOH/CEO to negotiate, articulate and review progress in meeting agreed upon performance standards and expectations.

Areas of Focus

1. Program Excellence – This area reflects on how the MOH/CEO has influenced the impact the health unit has on: population health measures; the use of health status data; evidence-informed program decision making; delivery of mandated and locally needed public health services as measured by the accountability indicators.
2. Client and Community Impact – This area reflects on the MOH/CEO's representation of the health unit in the community.
3. Employee Engagement and Learning – This area reflects on how the MOH/CEO has influenced the health unit's organizational capacity, climate and culture and the contribution made to enabling engaged and empowered staff; thoughtful and responsive leadership and organizational structures that support decision-making, innovation and learning.
4. Governance – This area reflects on how the MOH/CEO has influenced the alignment of management methods and systems to ensure appropriate structures and resources are in place to achieve the health unit's mission and vision. This area also reflects on the MOH/CEO's responsibility for actions, decisions and policies that impact the health unit's ability to achieve the requirements as set out under the strategic plan, the Ontario Public Health Standards (OPHS), other funder requirements and direction provided by the Board of Health.

Key Steps

1. The Governance Committee of the Board of Health is responsible to strike a performance appraisal sub-committee made up of members of the Governance Committee and/or other Board of Health Members as may be deemed appropriate.
2. The sub-committee reviews and approves the appraisal tool.
3. The performance appraisal includes:
 - a. A summary and assessment of performance for the previous review period; and
 - b. The establishment of goals for the coming review period.
4. The performance appraisal is typically initiated in the second quarter of each year. Results are presented to the Board of Health before the end of the third quarter. This timing allows the results of the current years planning and year-end outcomes to be considered.
5. The performance appraisal form (Appendix C) is completed by the sub-committee based on the following inputs:
 - a. Goals and targets to be achieved as articulated in the previous performance appraisal (where applicable), the strategic plan, the OPHS, and other direction provided by the Board of Health.
 - b. Evidence provided by the MOH/CEO, which includes a completed copy of the same performance appraisal form, specified required reports and may include other reports as deemed relevant by the MOH/CEO.
 - c. Key informant feedback collected from the following individuals using an outsourced 360 assessment tool:
 - i. All Board of Health members;
 - ii. All direct reports of the MOH/CEO;
 - iii. External stakeholders from each of the following sectors.
 1. Public health;
 2. Community partners;
 3. Health care; and
 4. Municipal partners.The stakeholders selected to provide feedback are chosen by the sub-committee from a list of names for each sector provided to them by the MOH/CEO.
 - d. Their observed behavior of the MOH/CEO; and
 - e. A meeting with the MOH/CEO to discuss preliminary findings and to set future goals.
6. The sub-committee provides verbal updates to the Board of Health throughout the process.
7. The sub-committee will determine who will meet with the MOH/CEO to discuss the performance appraisal. This should include the Chair of the Board.
8. The MOH/CEO may provide any additional or written comments.
9. Those in attendance at the appraisal meeting, including the MOH/CEO will sign the performance appraisal, acknowledging that the appraisal has been discussed and received by the MOH/CEO.

10. The signed performance appraisal is filed with the Executive Assistant to the Board in a sealed envelope. Only the MOH/CEO and Chair of the Board may access the sealed document.

Note: Please refer to the following appendices:

- Appendix B – Performance Appraisal Checklist
- Appendix C – Performance Appraisal Form
- Appendix D – Stakeholder Feedback Process
- Appendix E – Sample Stakeholder Email
- Appendix F – Sample Stakeholder Listing

MOH/CEO Performance Appraisal Checklist

This checklist is a tool to assist the appraisal sub-committee in completing the performance appraisal process.

Activity	Date Completed	By
1. The performance appraisal process is initiated at the second quarter Governance meeting and a sub-committee is formed. Completion is expected by the end of the third quarter the current year.		
2. The sub-committee meets to review and confirm the performance appraisal process, supporting documents required and timelines.		
3. The MOH/CEO is requested to provide an updated stakeholder list for the 360 review and to complete the self-assessment portion of the appraisal.		
4. The position description, listings of Board of Health report titles both public and in-camera and goals and targets as set out in the previous performance appraisal, and any other direction provided by the Board of Health is collated.		
5. An email is sent from the sub-committee Chair requesting stakeholder participation in the 360 assessment once the stakeholder list is approved by the sub-committee.		
6. The MOH/CEO is given an opportunity to debrief with the consultant of the organization contracted to facilitate the 360 feedback prior to submitting the completed appraisal form.		
7. The evidence package, as identified in item 4, is received from the MOH/CEO, including completed appraisal form.		
8. The sub-committee has a debrief meeting with the consultant of the organization requested to facilitate the 360 feedback.		
9. The sub-committee meets to discuss the materials and the MOH/CEO's completed portion of the appraisal as well as to complete the Board of Health portion of the appraisal.		
10. The two documents are then merged and sent to the sub-committee for review.		
11. The sub-committee may meet with the MOH/CEO to discuss any questions they may have regarding the materials they have received.		
12. The sub-committee will also review the goals from the prior year and propose new ones for the coming year.		

13. Once the sub-committee has reviewed the materials and drafted the appraisal it is presented by the sub-committee in camera to the entire Board of Health for their review and approval.		
14. The Board of Health members reach agreement on the overall appraisal.		
15. The Board of Health Chair and one other member of the sub-committee meet with the MOH/CEO to provide them with a copy of the Board's completed performance appraisal, discuss the content and provide feedback and discuss the goals for the next year.		
16. The document is then signed by the Board of Health Chair and the MOH/CEO and given to the Executive Assistance to the Board of Health to file in the MOH/CEO's personnel file.		

MOH/CEO Performance Appraisal Form

Name:	
Title:	

<i>This performance appraisal is due on:</i>	
---	--

It reviews the performance for the period:	
From: 	To:

And sets objectives for the period:	
From: 	To:

The following <u>RATING SCALE</u> is used in this performance appraisal:	
Exceeds expectations	Performance consistently exceeds all expectations/standards. Accomplishments are clearly obvious.
Meets Expectations	Solid reliable performance that substantially meets expectations. In some instances, expectations are exceeded. In some instances, expectations are still being developed.
Partially Meets Expectations	Performance does not meet expectations in certain areas. Improvement in these areas is required. The rationale needs to be explored, goals re-negotiated and/or an action plan established.
Additional Growth Required	Performance associated with the job requires additional resources. An action plan is needed which may include, but not limited to, training, coaching or other support.
Not applicable (n/a)	The Board of Health is not able to rate this area at this time.

Append additional sheets/documentation where required/appropriate.

Once completed, discussed and all signatures obtained, the original of this form is to be retained in the Employee's personnel file which is held by the Executive Assistant to the Board of Health in a sealed envelope, accessible only to the employee and the Chair of the Board of Health.

Program Excellence – This area reflects on how the MOH/CEO has influenced the impact the health unit has on: population health measures; the use of health status data; evidence-informed program decision making; delivery of mandated and locally needed public health services as measured by the accountability indicators.	Exceeds Expectations	Meets Expectations	Partially Meets Expectations	Additional Growth Required	n/a
<ul style="list-style-type: none"> Responds effectively to health hazards and provides effective control of communicable diseases under the Health Protection and Promotion Act (HPPA). 					
<ul style="list-style-type: none"> Champions coordinated approaches and engagement of clients and community partners in planning and evaluation of programs and services. 					
<ul style="list-style-type: none"> Maintains statutory obligations through the delivery of mandated and locally needed public health services (Ontario Public Health Standards: Requirements for Programs, Services, and Accountability, 2018). 					
<ul style="list-style-type: none"> Anticipates and plans for major trends in needs and services. 					
<ul style="list-style-type: none"> Uses evidence-informed decision making in developing programs and services to meet community needs. 					
<ul style="list-style-type: none"> Considers health equity in all program work. 					
<ul style="list-style-type: none"> Ensures processes are in place to regularly evaluate public health programs and services, seeking ways to improve efficiency and effectiveness. 					
<p>Comments: (Include major strengths in this area of focus and any areas that may need future development)</p>					

Client and Community Impact – This area reflects on the MOH/CEO’s representation of the health unit in the community.	Exceeds Expectations	Meets Expectations	Partially Meets Expectations	Additional Growth Required	n/a
<ul style="list-style-type: none"> Contributes to increasing community awareness about public health. 					
<ul style="list-style-type: none"> Promotes productive relationships with the media and acts as a resource to the media regarding public health issues. 					
<ul style="list-style-type: none"> Promotes productive relationships, maintains regular communication and strong working partnerships with external stakeholders including boards of education, business, labour, government, media, health care providers, community organizations, citizen groups and the Ministry of Health and Long-Term Care. 					
<ul style="list-style-type: none"> Seeks new and innovative ways to work with partners to advance mutual goals in the community. 					
<ul style="list-style-type: none"> Promotes excellence in customer service within the health unit. Responds quickly and efficiently to enquiries/complaints/issues from citizens/community groups. Exhibits tact and diplomacy in dealing with citizen/group complaints. Resolves complaints to citizen/groups’ satisfaction whenever feasible. Provides helpful explanation where legislatively or otherwise constrained. Researches/facilitates appropriate contact when referral is necessary. 					
<p>Comments: (Include major strengths in this area of focus and any areas that may need future development)</p>					

<p>Employee Engagement and Learning – <i>This area reflects on how the MOH/CEO has influenced the health unit’s organizational capacity, climate and culture and the contribution made to enabling engaged and empowered staff; thoughtful and responsive leadership and organizational structures that support decision-making, innovation and learning.</i></p>	Exceeds Expectations	Meets Expectations	Partially Meets Expectations	Additional Growth Required	n/a
<ul style="list-style-type: none"> Promotes a positive working environment. Advocates integrity, empowerment, collaboration and striving for excellence among staff. Sets a professional example for staff. 					
<ul style="list-style-type: none"> Allocates resources to maximize departmental and program effectiveness. Proposes revision to staff structure and numbers as necessary. Collaborates with the management team on opportunities for sharing/reallocating existing staff/resources wherever possible. Explores alternatives such as cost-sharing/joint services with other agencies and/or contract services. 					
<ul style="list-style-type: none"> Provides adequate supervision and direction of direct-reporting staff. Includes working with them to identify and prioritize short and longer-term goals. Conducts meaningful performance reviews in a timely manner and identifies their strengths and areas for development. Identifies and takes actions necessary to obtain improved performance where necessary. Recognizes and commends staff for outstanding work. Identifies and deals with performance concerns quickly and effectively by dealing with performance/communication/ disciplinary issues in an appropriate manner. 					
<ul style="list-style-type: none"> Maintains effective communication with staff. Fosters a workplace climate conducive to open communication. Holds regular Management meetings. Institutes feedback mechanisms to gauge leadership effectiveness. 					

Employee Engagement and Learning – <i>This area reflects on how the MOH/CEO has influenced the health unit’s organizational capacity, climate and culture and the contribution made to enabling engaged and empowered staff; thoughtful and responsive leadership and organizational structures that support decision-making, innovation and learning.</i>	Exceeds Expectations	Meets Expectations	Partially Meets Expectations	Additional Growth Required	n/a
<ul style="list-style-type: none"> Identifies areas where staff training and development would be of benefit to the team and/or agency as a whole. Encourages staff commitment and ownership to upgrading and maintaining job related effectiveness. Promotes the view of training as a shared responsibility between staff and the health unit. Supports planning of short- and long-term departmental training and development initiatives. 					
<ul style="list-style-type: none"> Regularly evaluates corporate services, seeking ways to improve efficiency and effectiveness. 					
<ul style="list-style-type: none"> Exhibits excellent time management skills. Systematically organizes own time. Commits to and meets deadlines. Respects others’ time. Is punctual for meetings. 					
<ul style="list-style-type: none"> Sets and achieves personal and professional development objectives. 					
Comments: (Include major strengths in this area of focus and any areas that may need future development)					

<p>Governance – <i>This area reflects on how the MOH/CEO has influenced the alignment of management methods and systems to ensure appropriate structures and resources are in place to achieve the health unit's mission and vision. This area also reflects on the MOH/CEO's responsibility for actions, decision and policies that impact the health unit's ability to achieve the requirements as set out under the strategic plan, the Ontario Public Health Standards: Requirements for Programs, Services, and Accountability, 2018, other funder requirements and direction provided by the Board of Health.</i></p>	Exceeds Expectations	Meets Expectations	Partially Meets Expectations	Additional Growth Required	n/a
<ul style="list-style-type: none"> Monitors overall health unit financial situation demonstrating effective management of financial resources. Ensures transparency and understanding of financial processes and procedures. 					
<ul style="list-style-type: none"> Develops innovative approaches to financing and revenue generation. Devises strategies to protect health unit assets. 					
<ul style="list-style-type: none"> Ensures agency compliance with the Ontario Public Health Standards: Requirements for Programs, Services, and Accountability, 2018. 					
<ul style="list-style-type: none"> Abides by employment and other relevant legislation including the Employment Standards Act, Labour Relations Act, Occupational Health and Safety Act, Accessibility for Ontarians with Disabilities Act and the Human Rights Code. Adheres to terms of union and other contracts. 					
<ul style="list-style-type: none"> Develops and maintains health unit by-laws, policies and procedures and ensures adherence within the health unit. Advises and consults with the Board of Health on significant matters. 					
<ul style="list-style-type: none"> Communicates regularly with the Chair of the Board of Health and provides support in identifying agenda items for the Board of Health and Committee meetings. 					
<ul style="list-style-type: none"> Ensures adequate orientation and on-going education of Board of Health members. 					

<p>Governance – <i>This area reflects on how the MOH/CEO has influenced the alignment of management methods and systems to ensure appropriate structures and resources are in place to achieve the health unit's mission and vision. This area also reflects on the MOH/CEO's responsibility for actions, decision and policies that impact the health unit's ability to achieve the requirements as set out under the strategic plan, the Ontario Public Health Standards: Requirements for Programs, Services, and Accountability, 2018, other funder requirements and direction provided by the Board of Health.</i></p>	Exceeds Expectations	Meets Expectations	Partially Meets Expectations	Additional Growth Required	n/a
<ul style="list-style-type: none"> Informs Board of Health of important developments affecting Public Health and the health unit (e.g. legislative changes, public health emergencies, organizational problems, system development, environmental trends.) Makes recommendations as appropriate and includes financial analysis for recommendations. 					
<ul style="list-style-type: none"> Provides appropriate and timely written and verbal reports to the Board of Health. Writes and speaks clearly. Reports are easily understood by the Board of Health members. 					
<p>Comments: (Include major strengths in this area of focus and any areas that may need future development)</p>					

SUMMARY OF OVERALL PERFORMANCE

AREA OF FOCUS	Exceeds Expectations	Meets Expectations	Partially Meets Expectations	Additional Growth Required
Program Excellence				
Community and Client Impact				
Employee Engagement and Learning				
Governance				
<p>Comments – (Include comments with respect to the major strengths of the MOH/CEO and areas for future development.)</p>				

GOALS FOR THE NEXT PERIOD – BY AREA OF FOCUS

Program Excellence	Key Performance Indicator
Client and Community Impact	Key Performance Indicator
Employee Engagement and Learning	Key Performance Indicator
Governance	Key Performance Indicator
Personal Development	Key Performance Indicator
Other	Key Performance Indicator

SIGNATURES

Medical Officer of Health

I discussed this performance appraisal with the Chair of the Board of Health.

I have participated in the setting of goals and targets for the next performance period, have reviewed my job responsibilities with the Chair of the Board of Health, and agree to the goals, targets and measurement standards noted above for the next performance period.

Comments

Medical Officer of Health and Chief Executive Officer

Date

For the Board of Health

We have discussed the performance appraisal with the Medical Officer of Health and Chief Executive Officer. We have reviewed the past period's work performance and goals and objectives and have discussed goals and objectives for the coming performance period. We have also discussed professional development and training needs. The goals and objectives for the coming year have been established, including job responsibilities and measurement methods.

Chair, Board of Health

Date

Board of Health

Date

MOH/CEO Performance Appraisal – Stakeholder Feedback Process

1. Key informant feedback is one of the inputs into the MOH/CEO performance appraisal process. The sub-committee uses a vendor to solicit 360 feedback from the following stakeholders:
 - a. All Board of Health members;
 - b. All direct reports of the MOH / CEO;
 - c. External stakeholders from the following sectors.
 - i. Public health
 - ii. Community partners;
 - iii. Health care; and
 - iv. Municipal.

The stakeholders selected to provide feedback are chosen by the sub-committee from a list names for each sector provided to them by the MOH/CEO.
2. An email is sent to all selected stakeholders advising them of the name of the vendor conducting the 360, the timeline for the completing the online feedback survey and assuring them of the confidentiality of their responses. Stakeholders are also invited to speak to the Chair of the sub-committee and/or other members of the sub-committee of the Board of Health if they wish to give feedback more directly.
3. The following process should be followed when emailing stakeholders selected to provide feedback:
 - a. The sample email in Appendix E can be modified or personalized as required and should be sent from the Chair of the sub-committee.
 - b. If the email is being sent to multiple recipients, in order to maintain confidentiality, send the email by “blind carbon copy” (bcc) so that recipients don’t know who the other recipients are.
 - c. Identify the vendor and ask recipients to watch for the email and reply to the survey by a specific date. This allows the sub-committee time to invite others to participate if the initial recipients are unable or unwilling to participate. Recipients may also forward the survey link to another recipient in their organization that they feel is better positioned to provide feedback.
 - d. The committee may also choose to encourage either a phone or face-to-face meeting with some stakeholders which should be determined at the time the committee is reviewing the stakeholder listing Appendix F.

MOH/CEO Performance Appraisal – Sample Stakeholder Email

Subject: Medical Officer of Health and Chief Executive Officer Performance Appraisal

Hello,

The Board of Health of the Middlesex- London Health Unit is in the process of completing the performance appraisal of **NAME**, **TITLE**.

As part of this process you have been identified as someone who has experience in working with them and the Board feels that your relevant insight would be helpful in completing this review. On behalf of the Board I would like to request that you participate by completing an on-line survey.

Your input will remain anonymous as all data will be collected and managed by an external firm. Verbatim comments however will be entered into the report exactly as they are written.

You will receive an email on **DATE** from **NAME OF PROVIDER** from email address with the survey link. The survey will take approximately 30 minutes to complete.

Please watch for this email, ensuring it does not go into your junk email or spam filter and complete the survey by the end of day on **DATE**.

If you feel it would be more appropriate for someone else within your organization to respond to this survey, please don't hesitate to contact me regarding this.

Thank you in advance,

NAME
TITLE

Board of Health, Middlesex-London Health Unit

GOVERNANCE MANUAL

SUBJECT:	Occupational Health and Safety	POLICY NUMBER:	G-080
SECTION:	Program Quality and Effectiveness	PAGE:	1 of 1
IMPLEMENTATION:		APPROVAL:	Board of Health
SPONSOR:	MOH / CEO	SIGNATURE:	
REVIEWED BY:	Governance Committee	DATE:	November 15, 2018

PURPOSE

To facilitate the Board of Health's compliance with applicable governance and accountability requirements outlined within the Occupational Health and Safety Act (OHSA) and the applicable regulations with respect to the duties of the employer.

POLICY

The Board of Health recognizes its ethical and legal obligations to ensure a safe and healthy work environment for Middlesex-London Health Unit (MLHU) employees and students.

All workplace parties are accountable for the prevention of work-related incidents, injuries and illness by maintaining an Internal Responsibility System (IRS) and by taking every precaution reasonable to protect the health and safety workers.

Board members are accountable for taking all reasonable care to ensure that MLHU is in compliance with the Occupational Health and Safety Act as its applicable regulations.

The Board of Health designates from among its members the Board Chair to serve as the employer of the institution for the purposes of the OHSA; and further delegates the duties and responsibilities of the employer outlined in the OHSA to the Medical Officer of Health and Chief Executive Officer (MOH/CEO). The day-to-day administration and management of MLHU's Occupational Health and Safety Program is facilitated by the Manager, Human Resources Manager, who reports to the Director, Healthy Organization.

The Board shall be informed of all significant health and safety risks, including employee incidents and investigations through an annual report summarizing the health and safety program, or more often, as needed.

APPLICABLE LEGISLATION AND STANDARDS

Occupational Health and Safety Act

REVISION DATES (* = major revision):
November 21, 2019

GOVERNANCE MANUAL

SUBJECT: Approval and Signing Authority
SECTION: Financial and Organizational
Accountability

POLICY NUMBER: **G-200**
PAGE: 1 of 2

IMPLEMENTATION: July 20, 2000
SPONSOR: MOH/CEO
REVIEWED BY: Finance and Facilities
Committee

APPROVAL: Board of Health
SIGNATURE:
DATE: June 14, 2019

PURPOSE

The purpose of this policy is to outline the signing authority and responsibilities for those who can approve financial and non-financial transactions, and all binding agreements on behalf of the Board of Health.

POLICY

Middlesex-London Health Unit (MLHU) management are granted signing authority to make commitments or expenditures on behalf of the organization, in accordance with the requirements set out in this policy.

Individuals must respect this privilege and abide by this policy or risk having their signing authority revoked or revised.

This policy applies to:

- All financial commitments;
- All purchase orders/requisitions and contracts; and
- All binding, non-financial contracts.

This policy does not apply to employment contracts.

Refer to Appendix A for financial signing authority limits, and Appendix B for non-financial contracts. Similar and related transactions that would normally be processed concurrently must not be split to avoid signing authority levels.

Supporting documentation must be provided in accordance with the requirements set out in Policy G-220 Contractual Services and Policy G-230 Procurement as applicable.

A list of names, titles and signatures for all individuals with signing authority will be maintained by Finance.

Controlled digital signatures are managed in accordance with G-B-20 By-law No. 2 Banking and Finance.

APPENDICES

Appendix A – Financial Signing Authority Limits
Appendix B – Non-Financial Signing Authority

MIDDLESEX-LONDON HEALTH UNIT

GOVERNANCE MANUAL

SUBJECT: Approval and Signing Authority
SECTION: Financial and Organizational
Accountability

POLICY NUMBER:
PAGE:

G-200
2 of 2

RELATED POLICIES

G-220 Contractual Services

G-230 Procurement

G-B20 By-law No. 2 Banking and Finance

REVISION DATES (* = major revision):

2019-11-21

2016-12-08

2014-05-01

2012-04-19

2011-02-17

2004-06-17

2000-07-20

Financial Signing Authority

Group	Total Amount of Expense Per Transaction (in CAD, inclusive of taxes and gratuities)
Non-Management Employee	-
Manager	\$5,000
Director/AMOH	\$20,000
MOH/CEO	\$60,000
Board of Health	>\$60,000
Manager, Finance (as approver of MOH/CEO)	\$20,000
Board of Health (as approver of MOH/CEO)	>\$20,000

Non-Financial Signing Authority

	Type of Contract	Signing Authority
1.	General	
	Union Agreements (MOUs, grievance responses etc.)	Director, Healthy Organization
	Collective Agreement Minutes of Settlement	Board of Health
	Banking – Choice of Bank	Board of Health
	Banking – Day to Day	Director, Healthy Organization or designate
	Insurance – Choice of Carrier/Broker and Coverage (employee group insurance benefits, Employee and Family Assistance Program)	MOH/CEO
	Auditor – Appointment	Board of Health
	Auditor – Certificates and Undertakings	MOH/CEO
2.	Consultants, Independent Contractors and Professional Services	
	Lawyers/Labour Negotiators (appointment)	Director, Healthy Organization
	Dentists and Physicians (appointment of medical advisors)	MOH/CEO
	Dentists and Physicians (e.g. Sexual Health Clinic, TB Clinic)	MOH/CEO or AMOH
	Physicians – AMOH and MOH/CEO	Board of Health
	Nurse Practitioners (RN Extended Class)	MOH/CEO or AMOH
	Agency or Individual Service Provider (not listed above) – Short-Term (i.e. less than 12 months)	Director or AMOH
	Agency or Individual Service Provider (not listed above) – Long-Term (i.e. 13 months or more)	MOH/CEO
3.	Program-Related Service Agreements	
	Ministry of Health or other ministries	Board of Health or MOH/CEO
	Other local agencies (coalition agreements, lead agency agreements).	Board of Health or MOH/CEO
	Non-financial Procurement Agreements including NDAs	Director, Healthy Organization or designate
	Program-specific NDAs	Director or AMOH
5.	Educational Agreements	
	Affiliation Agreements, Student Placements	Director, Healthy Organization
6.	Research/Grants	
	Applications, Agreements and Awards	Director after consultation with MOH/CEO
7.	Contracting of Services	
	Lead Agency Agreements	Board of Health
	Supplemental Services	MOH/CEO

*Refer to Appendix A for financial signing authority limits where applicable.

**Signing authority is automatically vested in individuals at higher levels of authority in the direct line of reporting.

GOVERNANCE MANUAL

SUBJECT: Contractual Services
SECTION: Financial and Organizational
Accountability

POLICY NUMBER: **G-220**
PAGE: 1 of 3

IMPLEMENTATION: August 30, 2000
SPONSOR: MOH / CEO
REVIEWED BY: Finance and Facilities
Committee

APPROVAL: Board of Health
SIGNATURE:
DATE: October 11, 2019

PURPOSE

To outline the procedures for negotiating and documenting contractual agreements.

POLICY

A written contract will be negotiated where there is a risk of contractual liability to the Middlesex London Health Unit (MLHU).

The Board of Health is responsible for the approval of all contracts and agreements and may delegate this authority as specified in Policy G-200 Approval and Signing Authority Policy.

This policy applies to contracts for professional services invoiced on a fee for services basis, but does not apply to employment contracts, which are covered under MLHU's administrative Recruitment & Hiring Policy (5-025). Professional services contracts are for services that generally are not performed by unionized employees.

Negotiation of the Contract

The Director/Manager or designate will be responsible for negotiating the contract with the provider/recipient. Where the content of the contract is subject to a provincial policy or standard, the Director/Manager is responsible for ensuring that such policies and standards are followed.

The Director/Manager will call upon the expertise of Procurement as needed to assist in the development, writing and review of the draft contract for services. The Director, Healthy Organization or the Medical Officer of Health/Chief Executive Officer (MOH/CEO) will be consulted prior to executing the contract.

It is highly recommended that the draft of the contract be submitted for legal review where there is no recent precedent for the contract or where the contract is for a substantial amount of money or involves significant liability.

A contract, with the exception of short-term contracts, may contain wording that provides for its amendment or early termination.

All contracts should be fully executed prior to the commencement date for the provision of services.

MIDDLESEX-LONDON HEALTH UNIT

GOVERNANCE MANUAL

SUBJECT: Contractual Services
SECTION: Financial and Organizational
Accountability

POLICY NUMBER:
PAGE:

G-220
2 of 3

All original contracts will be filed with Healthy Organization. A copy will be retained by the Director/Manager and by the other party/parties to the contract.

Contract Terms

Refer to the MLHU Contract Review Checklist (Appendix A) for required contract terms.

Evaluation of Contracts

Service provision under contract is evaluated informally on an ongoing basis. Periodic review of the contract and its standards will be measured against achievements.

Variances or discrepancies from contract requirements will be addressed in a timely manner by the Director/Manager that negotiated the terms of the contract and/or the Director, Healthy Organization or designate.

All contracts are evaluated before renewal.

APPENDICES

Appendix A – MLHU Contract Review Checklist

RELATED POLICIES

G-200 Approval and Signing Authority
G-230 Procurement

REVISION DATES (* = major revision):
2007-01-18, 2019-11-05

1 MLHU Contract Review Checklist

Name of Contractor / Party / Vendor			
Type of Contact		Contact Value	
Submitter		Approver	
<i>Please refer to Administrative Policy 4-XXX Approval and Signing Authority</i>			
Reviewed By Manager	<input checked="" type="checkbox"/>	Reviewed by Director	<input checked="" type="checkbox"/>

2 MLHU Contract Review Checklist

Information which <u>must</u> be included in the contract:		☑ / ☒
1a	Legal names of the parties.	
2a	Vision, purpose and objectives of the contract. This would include both terms and quantities of the goods or services procured.	
3a	Term of the contract, including a specific beginning and end date.	
4a	Responsibilities of each party, including any requirements for reporting and/ or performance.	
5a	Consequences for failure to fulfil contract conditions.	
6a	Confidentiality provisions. (Contractor and its agents are prohibited from using or disclosing financial, personal, and other sensitive information about the Health Unit and its members, or clients except as necessary to perform pursuant to contract terms.)	
7a	Privacy breach obligations (Contractor and its agents have duties to report and manage privacy breaches).	
8a	Statement that the contracting agency or party is not an employee (and is not subject to the applicable law of Ontario relating to employees), agent or partner of the Health Unit, and is an independent contractor	
9a	Except when short-term in nature, provisions for amending the contract or early termination of the processes and results involved.	
10a	Compliance clause (parties agree to comply with all applicable federal and provincial laws and regulations). Exceptions may only be made with explicit prior permission of the Board of Health	
11a	Licensing and certification requirements for the contracting agency, or recipient party.	
12a	Statement that the entire written contract is binding and any verbal agreements are of no force and effect.	
13a	Statement that if any provision of contract is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.	
14a	Statement regarding how and when notice in contracts are to be delivered.	
15a	Statement prohibiting the assignment of services without the express consent of the Health Unit.	
16a	Payment terms, including some manner for determining when payment is to be made (i.e., specific dates when payment is to be made, payment to be made within thirty days of receipt of invoice, etc.).	
17a	Provisions requiring the contractor to pay all employees who are perform services at the Health Unit not less than the living wage (see procurement protocols for further details).	
18a	Signature lines for execution by appropriate parties.	
19a	Reference documents tied to the contract.	

3 MLHU Contract Review Checklist

Information which <u>should</u> be included, if applicable:		☑ / ☒
1b	Any other conditions considered essential in order for the contract to occur.	
2b	Additional rights and/or responsibilities of each party.	
3b	Requirement of receipts if payment for expenses is being made, statement of any requirements for reimbursement and a limitation on payment.	
4b	Clear identification of the party who will be responsible for any costs associated with the contract (losses suffered as a result of actions, negligence, or the conduct of the contractor / provider).	
5b	Requirement to audit the contractor / party's internal control records and documents.	
6b	Service disruption clauses and business continuity plans.	
7b	Warranties (For services, should warrant that services to be performed in a professional and workmanlike manner consistent with industry standards).	
8b	Service Level Agreements (Usually an attachment. Includes performance standards; response times and requirements; and penalties for failure to meet performance standards).	
9b	Declarations that the contractor / party has no conflict of interest.	
10b	Commitment to adhere to Health Unit policies, rule, regulation, procedures and guidelines.	
11b	Evidence of insurance coverage (Vendor should provide reliable evidence of current insurance coverage in an amount sufficient to protect Health Unit's interests).	
12b	Outline respective roles and responsibilities with respect to joint appointments under affiliation agreements.	
13b	Outline recognition of authorship, ownership and proprietary rights and give direction regarding the retention or destruction of proprietary Health Unit information.	
14b	Funding specifications (i.e. any limitations or restrictions on the use or application of funds, whether continuation of the work is dependent on funding or advances of funds that are not spent to provide services will be returned to the Health Unit or funder).	
15b	Renewal terms.	

Contract Omissions and/or Variance from Policy

#	<i>Rationale</i>

SUBJECT: Procurement
SECTION: Financial and Organizational
Accountability

POLICY NUMBER: **G-230**
PAGE: 1 of 2

IMPLEMENTATION: February 21, 2008
SPONSOR: MOH / CEO
REVIEWED BY: Finance and Facilities
Committee

APPROVAL: Board of Health
SIGNATURE:
DATE: March 21, 2019

PURPOSE

To ensure that the Middlesex-London Health Unit (MLHU) obtains the best value when purchasing goods or contracting services.

To ensure MLHU procurement processes and decisions are open, transparent and fair, and comply with obligations set out in the Ontario Public Health Standards (OPHS) and relevant trade agreements.

POLICY

The protocols (Appendix A) prescribed in this policy shall be followed to make a contract award or to make a recommendation of a contract award to the Board of Health. This ensures that the MLHU procures the necessary quality and quantity of goods and/or services in an efficient, timely and cost-effective manner, while maintaining the controls necessary for a public agency.

The policy encourages an open and competitive bidding process for the acquisition and disposal of good and/or services and the objective and equitable treatment of all vendors.

The policy also ensures the best value is attained for MLHU. This may include, but not be limited to, the determination of the total cost of performing the intended function over the lifetime of the task, acquisition cost, installation, disposal value, disposal cost, training cost, maintenance cost, quality of performance and environmental impact.

APPENDICES

Appendix A – MLHU Procurement Protocols

APPLICABLE LEGISLATION AND STANDARDS

Ontario Public Health Standards
Canadian Free Trade Agreement
Canada-EU Comprehensive Economic and Trade Agreement
Ontario-Quebec Trade and Cooperation Agreement

**MIDDLESEX-LONDON HEALTH UNIT
GOVERNANCE MANUAL**

SUBJECT: Procurement
SECTION: Financial and Organizational
Accountability

POLICY NUMBER:
PAGE:

G-230
2 of 2

RELATED POLICIES

G-200 Approval and Signing Authority
G-220 Contractual Services

REVISION DATES (* = major revision):

2008-02-21
2019-03-21*
2019-11-21*

**Middlesex-London Health Unit
Procurement Protocols**



Procurement Protocols

Table of Contents

	Page
1.0 Purpose	1
2.0 General Information	1
2.1 Glossary of Terms.....	1
2.2 Documentation.....	4
2.3 The Accessibility for Ontarians with Disabilities Act (AODA)	5
2.4 Living Wage Considerations	5
2.5 Environmental Considerations	5
2.6 Summary of Procurement Process	
2.6.1 Chart 1 - Procurement Goals	6
2.6.2 Chart 2 – Summary of Procurement Process.....	7
3.0 Non-Competitive Processes	
3.1 Goals.....	11
3.2 Requirements	11
3.3 Procurement in Emergencies.....	11
3.4 Direct Negotiations	12
4.0 Competitive Processes	
4.1 Request for Proposal	12
4.1.1 Goals.....	12
4.1.2 Informal Process Requirements.....	12
4.1.3 Formal Process Requirements	13
4.1.4 General Process.....	13
4.2 Request for Tender.....	14
4.2.1 Goals.....	14
4.2.2 Requirements.....	14
4.2.3 General Process	14
4.3 Request for Quotation.....	15
4.3.1 Goals.....	15
4.3.2 Requirements.....	15
4.3.3 General Process.....	15
4.3.3.1 Informal Quotation Process.....	16
4.3.3.2 Formal Quotation Process	17

Procurement Protocols Table of Contents (continued)

	Page
4.4 Informal, Low Value Procurement	
4.4.1 Goals.....	17
4.4.2 Requirements.....	17
4.4.3 General Process.....	18
5.0 Bid and Contract Administration	
5.1 Bid Submissions	19
5.2 Lack of Acceptable Responses to Request.....	19
5.3 Equal Bids	19
5.4 Insufficient Responses to Requests.....	20
5.5 Guarantees of Contract Execution & Performance.....	20
5.6 Requirement at Time of Execution	21
5.7 Contractual Agreement.....	22
5.8 Contract Amendments and Revisions	22
5.9 Contract Review/Renewal.....	22
5.10 Exclusion of Vendors from Competitive Process	24
5.10.1 Exclusion of Bidders in Litigation	24
5.10.2 Exclusion of Bidders Due to Poor Performance	24
5.11 Single/Sole Source.....	24
5.12 Blanket Purchases	25
5.13 Custody of Documents	25
5.14 Co-operative Purchasing	25
5.15 Receipt of Goods.....	25
5.16 Receipt of Services	26
5.17 Reporting to Board of Health	26
5.18 Direct Solicitation of Divisions.....	26
5.19 Lobby	26
5.20 Local references.....	26
5.21 Interference in Procurement Process	27
5.22 Resolution of Questions of Protocols.....	27
5.23 Access to Information	27
5.24 Protocol Amendment.....	27
6.0 Capital Assets Purchases/Improvements and Disposal.....	28
7.0 Excluded Goods & Services.....	29
8.0 Reviewing and Evaluate Effectiveness.....	30

9.0 Appendices

9.1 (A) Irregularities Contained in Bids	31
9.2 (B) Summary of Types of Procurement with Goals	33
9.3 (C) Procurement Circumstances.....	34
9.4 (D) Descriptive Features of Procurement Processes	35
9.5(E) The “Two-Envelope” Procurement Process.....	40

1.0 PURPOSE

To establish sound policies for procuring supplies and services in a manner that is ethical, transparent and accountable. The following are goals of the procurement process:

- (1) To ensure objectivity and integrity in the procurement process;
- (2) To encourage competition among bidders by using an open, fair and transparent process;
- (3) To ensure fair treatment of all bidders;
- (4) To obtain the best value by ensuring quality, efficiency and effectiveness;
- (5) To be environmentally conscious when procuring goods or services;
- (6) Where beneficial, cooperate with other public sector agencies in order to obtain the best possible value;
- (7) To promote and incorporate wherever possible in procurement activities, the requirements of the Ontarians with Disabilities Act;
- (8) To ensure that living wage is applied to procurement activities;
- (9) To adhere to the Code of Ethics of the National Institute of Governmental Purchasing.

2.0 GENERAL INFORMATION

- (1) The procedures prescribed in these Protocols shall be followed to make a contract award or to make a recommendation of a contract award to the Board of Health.
- (2) Unless otherwise provided in accordance with the Procurement Protocols, The Director, Healthy Organization, or designate and the authorized employees of the Procurement department shall be responsible for providing all necessary advice and services required for purchases authorized by these Protocols.
- (3) No purchase of goods and services shall be authorized unless it is in compliance with the Procurement Protocols.
- (4) No purchases shall be divided to avoid any requirements of this policy.
- (5) Departments shall initiate purchases for unique department requirements to ensure that purchases are not duplicated in other departments. When corporate purchasing power is a factor, a corporate contract shall be sought.

2.1 Glossary of Terms

In these Protocols, unless a contrary intention appears,

“agreement” means a formal written legal agreement or contract for the supply of goods, services, equipment or construction;

“award” means the selection by the Health Unit of one or more bidder(s) for acquisition of goods or services. An award may be executed by means of a purchase order, contract record or formal agreement.

- “best value” means the optimal balance of performance and cost determined in accordance with a pre-defined evaluation plan. Best value may include a time horizon that reflects the overall life cycle of a given asset.
- “bid” means a response to a competitive bid solicitation or any other offer to sell goods or services, which is subject to acceptance or rejection.
- “bidder” means a person, corporation or other entity that responds to a competitive bid.
- “bid deposit” means bank drafts, certified cheques, money orders, or bond surety to ensure the successful bidder will enter into a contract.
- “blanket purchase contract” means any contract for the purchase of goods and services which will be required frequently or repetitively but where the exact quantity of goods and services required may not be precisely known or the time period during which the goods and services are to be delivered may not be precisely determined.
- “certificate of clearance” means a certificate issued by an authorized official of the Workplace Safety and Insurance Board certifying that the Board waives its rights under subsection 141(10) of the Workplace Safety and Insurance Act, as amended.
- “conflict of interest” means a situation, real or perceived, that could give a bidder or consultant an unfair advantage during a procurement process.
- means a situation in which financial or personal considerations have the potential to compromise or bias professional judgement and objectivity.
- means a situation where a personal or business interest of a Board Member, Director, and employees of the Health Unit, who is involved in the process of procuring goods or services, is in conflict or appear to come into conflict with the interests of the Health Unit.
- “contract” means any formal or deliberate written agreement for the purchase of goods, services, equipment or construction;
- “contract record” is a document which outlines the terms and conditions of the agreement;
- “designate” means the person(s) assigned the duties and responsibilities on behalf or in the absence of the person charged with the principal authority to take relevant action or decision.
- “director” means the head of a specific division of the Health Unit.
- “employee – employer relationship” refers to the definition utilized by the Canada Customs and Revenue Agency.
- “executed agreement” means a form of agreement, either incorporated in the bid documents or prepared by the Health Unit or its agents, to be executed by the successful bidder and the Health Unit.
- “goods and services” includes supplies, materials and equipment of every kind required to be used to carry out the operations of the Health Unit.

- “insurance documents” means certified documents issued by an insurance company licensed to operate by the Government of Canada or the Province of Ontario certifying that the bidder is insured in accordance with the Health Unit’s insurance requirements as contained in the bid documents;
- “irregular result” means that in any procurement process where competitive bids or proposals are submitted and any of the following has occurred or is likely to occur:
- (i) The lowest responsive bid or proposal exceeds the estimated cost or budget allocation;
 - (ii) For any reason the award of the contract to or the purchase from the lowest responsive bidder or proponent is procedurally inappropriate or not in the best interests of the Corporation;
 - (iii) The specifications of a tender call or request for proposal cannot be met by two or more suppliers;
 - (iv) A negotiated result in accordance with section 4.5 of these Protocols; or
 - (v) Concurrence cannot be achieved between the Director and The Director, Healthy Organization, or designate regarding the award of contract.
- “irregularities contained in bids” is defined in Appendix “A” and includes the appropriate response to those irregularities;
- “non-compliant” means the response to the bid does not conform to the mandatory or essential requirements contained in the invitation to bid.
- “professional service supplier” means a supplier of services requiring professional skills for a defined service requirement including:
- (i) Architects, engineers, designers, management and financial consultants; and
 - (ii) Firms or individuals having specialized competence in environmental, planning or other disciplines.
- “purchase order” means the purchasing document used to formalize a purchasing transaction with a vendor;
- “purchase requisition” means a written or electronically produced request in an approved format and duly authorized to obtain goods or services;
- “quotation” means a request for prices on specific goods and/or services from selected vendors which are submitted verbally, in writing or transmitted by facsimile as specified in the Request for Quotation;
- “request for expression of interest” is a focused market research tool used to determine vendor interest in a proposed procurement. It may be issued simultaneously with a Request for Qualifications when the proposed procurement is well defined and the purchaser has clear expectations for the procurement.
- “request for information” is used prior to issuing a competitive call as a general market research tool to determine what products and services are available, scope out business requirements, and/or estimate project costs;

- “request for proposal” means a process where a need is identified, but the method by which it will be achieved is unknown at the outset. This process allows vendors to propose solutions or methods to arrive at the desired result;
- “responsible” means a bidder who is deemed to be fully capable, technically and financially, to supply the goods or services requested in the solicitation.
- “responsive” means a bid or offer which correctly and completely responds to all of the requirements of the competitive process.
- “sealed bid” means a formal sealed response received as a part of a quotation, tender or proposal;
- “single source” is a non-competitive procurement method whereby purchases are directed to one supplier even though there is more than one source in the open market.
- “sole source” is a non-competitive procurement method whereby purchases are directed to one source of supply as no other source is qualified or capable of providing the goods or services.
- “supplier” means any individual or organization providing goods or services to the Health Unit including but not limited to contractors, consultants, vendors, service organizations etc.
- “Tender” means a sealed bid which contains an offer in writing to execute some specified services, or to supply certain specified goods, at a certain price, in response to a publicly advertised request for bids;
- “Triggering event” means an occurrence resulting from an unforeseen action or consequence of an unforeseen event, which must be remedied on a time sensitive basis to avoid a material financial risk to the Health Unit or serious or prolonged risk to persons or property;
- “Value Analysis” typically refers to a life cycle costing approach to valuing a given alternative, which calculates the long term expected impacts of implementing the particular option;

2.2 Documentation

- (1) In order to maintain consistency, the Director, Healthy Organization, or designate shall provide protocols to Divisions on procurement policies and procedures and on the structure, format and general content of procurement documentation.
- (2) The Director, Healthy Organization, or designate shall review proposed procurement documentation to ensure clarity, reasonableness and quality and shall advise the Services Areas of suggested improvements.
- (3) Procurement documentation shall avoid use of specific products or brand names.
- (4) Notwithstanding Subsection 2.2 (3), a Division may specify a specific product, brand name or approved equal for essential functionality purposes to avoid unacceptable risk or for some other valid purpose. In such instances, the Director, Healthy Organization or designate shall manage the procurement to achieve a competitive situation if possible.

- (5) The use of standards in procurement documentation that have been certified, evaluated, qualified, registered or verified by independent nationally recognized and industry-supported organizations such as the Standards Council of Canada shall be preferred.
- (6) Divisions shall:
 - (i) give consideration to the need for value analysis comparisons of options or choices,
 - (ii) if required, ensure that adequate value analysis comparisons are conducted to provide assurance that the specification will provide best value, and
 - (iii) forward the value analysis to Procurement for documentation in the procurement file.
- (7) The Manager, Procurement and Operations in conjunction with the Division shall issue bid documents for goods and services. The Procurement and Operations Department shall give notice of the purchasing procurement documents electronically via the Internet as well as any other means as appropriate.
- (8) These Protocols or any provision of it may be amended by the Senior Leadership Team from time to time as long as, any change(s) is operational in nature and does not significantly alter the intention or goal of the Protocol.

2.3 The Accessibility for Ontarians with Disabilities Act (AODA)

In deciding to purchase goods or services through the procurement process for the use of itself, its employees or the public, the Health Unit, to the extent possible, shall have regard to the accessibility for persons with disabilities to the goods or services.

2.4 Living Wage Considerations

As a living wage employer, competitive procurement processes will include provisions that require the Contractor to pay all employees who are employed by the Contractor to perform services at Middlesex-London Health Unit not less than the Living Wage, as set by Living Wage London. Living wage considerations are only included in procurement activities where contractual services are rendered at the Middlesex London Health Unit on an ongoing basis. Example of these include: janitorial services and security. Please refer to livingwagelondon.ca for additional details.

2.5 Environmental Considerations

In order to contribute to waste reduction and to increase the development and awareness of environmentally sound purchasing, acquisitions of goods and services will ensure that, wherever possible, specifications are amended to provide for expanded use of durable products, reusable products and products (including those used in services) that contain the maximum level of post-consumer waste and/or recyclable content, without significantly affecting the intended use of the product or service. It is recognized that cost analysis is required in order to ensure that the products are made available at competitive prices.

2.6 Summary of Procurement Process

2.6.1 Chart 1 – Procurement Goals

Goal	Description
1. Effective	The extent to which the procurement process is achieving its intend results. The desired outcomes are substantive or quality results as opposed to process results.
2. Objective	The procurement of goods and services made in an unbiased way and not influenced by personal preferences, prejudice or interpretations.
3. Fair	Applying the policies equally to all bidders.
4. Open and Transparent	Is the clarity and disclosure about the process for arriving at procurement decisions. While promoting openness and transparency, the Procurement Protocol should be governed by the legal considerations for confidentiality and the protection of privacy.
5. Accountable	Is the obligation to answer for procurement results and for the way that procurement responsibilities are delegated.
6. Efficient	Measures the quality, cost and amount of goods and services procured as compared to the time, money and effort to procure them.

2.6.2

Chart 2 Summary of Procurement Processes

Purchasing Option	Description	When to use this option	How to use this option	How to choose the appropriate vendor using this option	Who awards/ Comments
<p>Formal Request for Proposals</p> <p><i>Relates to Sections 4.1.3 & 4.1.4 of the Procurement Protocol</i></p>	<p>Vendors are asked to submit a description of how they would address a problem or need along with the costs associated with their solution.</p>	<p>There is a complex problem or need for which there is no clear single solution; and</p> <p>The anticipated cost is equal to or greater than \$100,000.</p>	<p>Procurement must be involved;</p> <p>Specific written information must be provided to Procurement by the Division to initiate;</p> <p>Bids are solicited through an open process that includes public advertisements.</p>	<p>A Selection Committee evaluates each bid;</p> <p>A numeric evaluation tool is developed to assess the quality of the bid; Cost will always be a factor</p> <p>The bid with the best score and meets the minimum requirements is awarded the contract</p>	<p>The MOH / CEO is informed when the lowest bid is not being recommended.</p> <p>Board of Health authorizes the awarding of the contract.</p>
<p>Informal Request for Proposals</p> <p><i>Relates to Sections 4.1.2 & 4.1.4 of the Procurement Protocol</i></p>	<p>Vendors are asked to submit a description of how they would address a problem or need along with the costs associated with their solution.</p>	<p>There is a complex problem or need for which there is no clear single solution; and</p> <p>The anticipated cost is less than \$100,000.</p>	<p>Procurement must be involved;</p> <p>Specific written information must be provided to Procurement by the Division to initiate.</p> <p>Bids are solicited on an invitational basis from a pre-determined bidder list but must be posted on a website to provide a single point of access, free of charge.</p>	<p>A Selection Committee evaluates each bid;</p> <p>A numeric evaluation tool is developed to assess the quality of the bid; Cost will always be a factor.</p> <p>The bid with the best score and meets the minimum requirements is awarded the contract</p>	<p>The MOH / CEO awards the contract.</p>

Purchasing Option	Description	When to use this option	How to use this option	How to choose the appropriate vendor using this option	Who awards/ Comments
<p>Request for Tender</p> <p><i>Relates to Section 4.2 of the Procurement Protocol</i></p>	<p>Vendors are asked to submit a cost for the work that is specified through a competitive bid process</p>	<p>A clear or single solution exists; and</p> <p>The anticipated costs is equal to or greater than \$100,000</p>	<p>Procurement must be involved;</p> <p>Specific written information must be provided to Procurement by the Division to initiate;</p> <p>Bids should be posted on a website to provide a single point of access, free of charge.</p>	<p>A public opening is required with specific people in attendance;</p> <p>Procurement integrates all the bids and recommends vendor with the lowest bid who meets requirements, subject to review by Division Director.</p>	<p>Board of Health awards the contract.</p>
<p>Formal Request for Quotations</p> <p><i>Relates to Section 4.3.3.2 of the Procurement Protocol</i></p>	<p>Vendors are asked to submit a cost for the work that is specified through an invitational process from pre-determined bidders</p>	<p>A clear or single solution exists; and</p> <p>The anticipated cost is between \$50,000 and less than \$100,000.</p>	<p>Procurement must be involved;</p> <p>Specific written information must be provided to Procurement by the Division to initiate;</p> <p>Bids are solicited on an invitational basis from a pre-determined bidder list but must be posted on a website to provide a single point of access, free of charge.</p>	<p>Divisions review the bids;</p> <p>Procurement integrates all the bids and recommends vendor with the lowest bid who meets requirements, subject to review by Division Director.</p>	<p>The MOH / CEO awards the contract.</p>

Purchasing Option	Description	When to use this option	How to use this option	How to choose the appropriate vendor using this option	Who awards/ Comments
<p>Informal Request for Quotations</p> <p><i>Relates to Section 4.3.3.1 of the Procurement Protocol</i></p>	<p>Vendors are asked to submit a cost for the work that is specified through an invitational process from pre-determined bidders</p>	<p>A clear or single solution exists; and</p> <p>The anticipated cost is between \$10,000 and less than \$50,000</p>	<p>Involvement of Procurement is not required but available;</p> <p>Bids are solicited on an invitational basis from a pre-determined bidder list but may be posted on a website to provide a single point of access, free of charge.</p> <p>A minimum of 3 bids should be obtained although more are encouraged.</p>	<p>Division chooses the appropriate vendor based on the vendor who meets the specifications at the lowest cost.</p>	<p>The MOH / CEO awards the contract.</p>
<p>Informal, low value procurement</p> <p><i>Relates to Section 4.4 of the Procurement Protocol</i></p>	<p>Quotes are obtained via phone (and confirmed in writing), fax, email, or similar communication methods or vendor advertisements or catalogues</p>	<p>A clear or single solution exists; and</p> <p>The anticipated cost is between \$5,000 and less than \$10,000.</p>	<p>Involvement of Procurement is not required but available;</p> <p>A minimum of 3 bids are sought and more cost effective methods may be used such as quotes received by electronic submission, hardcopy, verbal (and confirmed in writing).</p>	<p>Division chooses the appropriate vendor based on the vendor who meets the specifications at the lowest cost.</p>	<p>The Division Director awards the contract.</p> <p>The MOH / CEO is informed, prior to awarding the contract, if the lowest quote is not being accepted.</p>

Purchasing Option	Description	When to use this option	How to use this option	How to choose the appropriate vendor using this option	Who awards/ Comments
<p>Non-competitive purchases</p> <p><i>Relates to Sections 3.0 and 5.11 of the Procurement Protocol</i></p>	<p>No bids or quotes are required for purchase but informal bids are encouraged.</p>	<p>The anticipated cost is less than \$5,000;</p>		<p>Not applicable</p>	<p>Purchases under \$5,000 a Board report is not required.</p> <p>Award is made based on signing authority governed in Policy G-200</p>
		<p>Greater than \$5,000 and only a single vendor exists; or</p> <p>During an emergency; or</p> <p>The vendor has particular expertise.</p> <p>See Protocols for further indications.</p>	<p>The requirement for competitive bid solicitation may be waived under joint authority of the Director and MOH / CEO.</p> <p>Director, Healthy Organization or designate manages the process/negotiations.</p>	<p>Not applicable</p>	<p>A written report will be submitted to the Board of Health</p> <p>The Board of Health awards contracts greater than \$50,000 unless it is an emergency under section 3.3 of the Procurement Protocols;</p> <p>The MOH / CEO awards contracts for values of greater than \$5,000 but less than \$50,000</p>

3.0 NON-COMPETITIVE PURCHASES

3.1 Goals

The primary goals of a non-competitive purchase are to allow for procurement in an efficient and timely manner.

3.2 Requirements

- (1) The requirement for competitive bid solicitation for goods, services and construction may be waived if the item is less than \$5,000.
- (2) Alternatively, under joint authority of the appropriate Director and the MOH / CEO, the requirement for competitive bid solicitation for goods, services and construction may be replaced with negotiations by the Director, Healthy Organization, or designate under the following circumstances:
 - (i) where competition is precluded due to the application of any Act or legislation or because of the existence of patent rights, copyrights, technical secrets or controls of raw material;
 - (ii) where due to abnormal market condition, the goods, services or construction required are in short supply;
 - (iii) where only one source of supply would be acceptable and cost effective;
 - (iv) where there is an absence of competition for technical or other reasons and the goods, services or construction can only be supplied by a particular supplier and no alternative exists;
 - (v) where the nature of the requirement is such that it would not be in the public interest to solicit competitive bids as in the case of security or confidentiality matters;
 - (vi) where in the event of an “*Emergency*” as defined by these Protocols, a requirement exists; or
 - (vii) where the requirement is for a utility for which there exists a monopoly.
- (3) When a Director/Manager intends to select a supplier to provide goods, services or construction pursuant to subsection 3.2(2), a written report indicating the compelling rationale that warrants a non-competitive selection will be submitted by the Division to the Board of Health.
- (4) For contracts between \$5,000 and \$49,999, the MOH / CEO awards the contract.
- (5) For contracts of \$50,000 and over the Board of Health approves the contract, unless section 3.3 applies.

3.3 Procurement in Emergencies

- (1) In subsection 3.2(1)(vi) “*Emergency*” includes
 - (i) an imminent or actual danger to the life, health or safety of a member of the Board of Health, volunteer or an employee while acting on the Health Unit’s behalf;
 - (ii) an imminent or actual danger of injury to or destruction of real or personal property belonging to the Board of Health;
 - (iii) an unexpected interruption of an essential public service;
 - (iv) an emergency as defined by the Emergency Plans Act, R.S.O. 1990, Chapter E.9 and the emergency plan formulated thereunder by the Health Unit;

- (v) a spill of a pollutant as contemplated by Part X of the Environmental Protection Act, R.S.O. 1990, Chapter E.19; and
 - (vi) mandate of a non-compliance order.
- (2) Where, in the opinion of the MOH / CEO or in their absence the Associate Medical Officer of Health, an emergency has occurred,
- (i) the Director, Healthy Organization, or designate on receipt of a requisition authorized by a Director and the MOH / CEO or designate may initiate a purchase order in excess of the pre-authorized expenditure limit; and
 - (ii) any purchase order issued under such conditions together with a source of financing shall be justified and reported to the next meeting of the Board of Health following the date of the requisition.

3.4 Direct Negotiations

- (1) Unless otherwise provided in accordance with the Procurement Protocols, goods and services may be purchased using the Direct Negotiation method only if one or more of the following conditions apply:
- (i) the required goods and services are reasonably available from only one source by reason of the scarcity of supply in the market or the existence of exclusive rights held by any supplier or the need for compatibility with goods and services previously acquired and there are no reasonable alternatives or substitutes.
 - (ii) the required goods and services will be additional to similar goods and services being supplied under an existing contract;
 - (iii) an attempt to purchase the required goods and services has been made in good faith using a method other than Direct Negotiation under section 4.0 of these Protocols which has failed to identify a successful supplier and it is not reasonable or desirable that a further attempt to purchase the goods and services be made using a method other than Direct Negotiation.
 - (iv) the goods and services are required as a result of an emergency, which would not reasonably permit the use of a method other than Direct Negotiation.
 - (v) the required goods and services are to be supplied by a particular vendor or supplier having special knowledge, skills, expertise or experience.

4.0 COMPETITIVE PROCESSES

4.1 Request For Proposal

4.1.1 Goals

To implement an effective, objective, fair, open, transparent, accountable, and efficient process for obtaining unique proposals designed to meet broad outcomes to a complex problem or need for which there is no clear or single solution.

4.1.2 Informal Process Requirements

- (1) The Informal Request for Proposal procedure shall be used where:
- (i) the item is less than \$100,000;
 - (ii) the requirement is best described in a general performance specification;

- (iii) innovative solutions are sought; and
- (iv) To achieve best value, the award selection will be made on an evaluated point per item or other method involving a combination of mandatory and desirable requirements.
- (v) Bids are solicited on an invitational basis from a pre-determined bidder list but must be posted on a website to provide a single point of access, free of charge.
- (vi) The MOH / CEO awards the contract.
- (vii) A report to the Board of Health is required if the lowest bid is not accepted.

4.1.3 Formal Process Requirements

- (1) A Formal Request for Proposal procedure shall be used where:
 - (i) the item is greater than \$100,000;
 - (ii) the requirement is best described in a general performance specification;
 - (iii) innovative solutions are sought; and
 - (iv) to achieve best value, the award selection will be made on an evaluated point per item or other method involving a combination of mandatory and desirable requirements.
- (2) Bids are solicited through an open process that includes public notice.
- (3) The MOH / CEO is informed when the lowest bid is not being recommended.
- (4) The Board of Health authorizes the award of the contract.

4.1.4 General Process

- (1) The Request for Proposal method of purchase is a competitive method of purchase that may or may not include Vendor pre-qualification.
- (2) A Request for Information or Request for Expression of Interest may be issued in advance of a proposal to assist in the development of a more definitive set of terms and conditions, scope of work/service and the selection of qualified Vendors.
- (3) Where the requirement is not straightforward or an excessive workload would be required to evaluate proposals, either due to their complexity, length, number or any combination thereof, a procedure may be used that would include a pre-qualification phase.
- (4) Procurement shall maintain a list of suggested evaluation criteria for assistance in formulating an evaluation scheme using a Request for Proposal. This may include factors such as qualifications and experience, strategy, approach, methodology, scheduling and past performance, facilities, equipment, and pricing.
- (5) Divisions shall identify appropriate criteria from the list maintained by Procurement for use in a Request for Proposal but are not limited to criteria from the list. Cost will always be included as a factor, as best value includes both quality and cost.
- (6) The Division shall provide to the Director, Healthy Organization, or designate with a purchase request in writing containing the budget authorization, approval authority, terms of reference and evaluation criteria to be applied in assessing the proposals submitted.
- (7) A Selection Committee, comprised of a minimum of one representative from the Division and the Director, Healthy Organization, or designate or designate, shall review all proposals against the established criteria, reach consensus on the final rating results, and

ensure that the final rating results, with supporting documents, are kept in the procurement file.

- (8) During the proposal process all communication with bidders shall be through Procurement.
- (9) The Director, Healthy Organization, or designate shall forward to the Director(s) an evaluation summary of the procurement, as well as the Committee's recommendation for award of contract to the supplier meeting all mandatory requirements and providing best value as stipulated in the Request for Proposal. Where the lowest bid is not accepted, the Director is responsible for documenting the determination of best value, in a confidential report to the MOH / CEO prior to award of contract.
- (10) With respect to all Board reports initiated for requests for proposals, the report shall include the sources of financing, summary of major expenditure categories, and other financial commentary as considered appropriate.
- (11) Reporting will not include summaries of bids as this information will remain confidential. Any disclosure of information shall be made by the appropriate officer in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990.
- (12) Unsuccessful proponents may, upon their request, attend a debriefing session with Procurement to review their bid submission. Discussions relating to any bid submissions other than that of the proponent present will be strictly prohibited.
- (13) The Health Unit reserves the right to accept or reject any submission.

4.2 Request For Tender

4.2.1 Goals

To implement an effective, objective, fair, open, transparent, accountable and efficient process for obtaining competitive bids based on precisely defined requirements for which a clear or single solution exists.

4.2.2 Requirements

Request for Tender procedures shall be used where:

- (i) the item is greater than \$100,000;
- (ii) the requirement can be fully defined; and
- (iii) best value for the Board of Health can be achieved by an award selection made on the basis of the lowest bid that meets specifications.

4.2.3 General Process

- (1) The Director or designate shall provide to the Director, Healthy Organization, or designate a purchase request in writing containing the relevant specifications, budget authorization, approval authority and terms and conditions for the purchase of goods, services or construction.
- (2) The Director, Healthy Organization, or designate shall be responsible for posting the bid on an external website for the procurement opportunity.
- (3) The Director, Healthy Organization, or designate shall be responsible for arranging for the public opening of tender bids at the time and date specified by the tender call. There shall be in attendance at that time,
 - (i) Director, Healthy Organization, or designate and
 - (ii) At least one representative from the requesting Division(s)
 - (iii) If the Director, Healthy Organization, or designate is not available, the MOH / CEO or the MOH / CEO designate may act on their behalf.
 - (iv) The chair of the Board of Health shall be invited
- (4) Procurement shall forward to the Director a summary of the bids and recommend the award of contract to the lowest responsive bidder, subject to review by the Director or designate regarding specifications and contractor performance.
- (5) With respect to all Board reports initiated for tenders, the report shall include the sources of financing, summary of major expenditure categories, and other financial commentary as considered appropriate. The Board will approve such contracts.
- (6) The Health Unit reserves the right to accept or reject any submission.

4.3 Request For Quotation

4.3.1 Goals

To implement an effective, objective, fair, open, transparent, accountable and efficient process for obtaining competitive bids based on precisely defined requirements for which a clear or single solution exists.

4.3.2 Requirements

- (1) Request for Quotation procedures shall be used where:
 - (i) the item is greater than \$10,000 but not greater than \$100,000;
 - (ii) the requirement can be fully defined; and
 - (iii) best value for the Health Unit can be achieved by an award selection made on the basis of the lowest bid that meets specifications.
- (2) Competitive bid solicitation is done primarily on an invitational basis from a pre-determined bidders list but may be supplemented with posting the bid on a website to provide a single point of access, free of charge.

4.3.3 General Process

4.3.3.1 Informal Quotation Process (Greater than \$10,000 but no greater than \$50,000)

- (1) These protocols are provided to assist a Division should it exercise its authority to purchase goods or services between \$10,000 and \$50,000 without the involvement of the Procurement and Operations Department. Protocols are organized by objective as follows:

- (i) OBJECTIVE 1: Efficiency

Purchases must be for unique Division requirements, and therefore not duplicated in other Divisions, such that Health unit purchasing power or standardization is not a factor in costing. Requirements cannot be split in order to qualify for this process.

- (ii) OBJECTIVE 2: Competitive Process

A competitive process is undertaken whereby a minimum of 3 bids is obtained, and the lowest compliant bid is awarded the contract. Care must be taken as to how bids are sought, bidders lists are maintained and how competition is encouraged. Although a minimum of 3 bids is required, an open process without a minimum number of bids will be more competitive, and is encouraged.

- (iii) OBJECTIVE 3: Open process

Division needs are communicated to bidders, who are able to bid on goods or services they are qualified to provide. There should be no limitation of bids to an established listing. Divisions should check with the Procurement and Operations Department to determine if there is an established list of potential relevant service providers that they may have for this purpose. An allowable exception to this, would be where in a formal process a short list was determined as a result of another competitive process (such as RFP), which has a pre-qualifying process to determine a short list.

- (iv) OBJECTIVE 4: Transparent process

The process is undertaken based on clear definition of the product or service requirement, and a clear outline of the review and criteria to be undertaken. The decision to choose the low bidder will be based solely on the requirements as documented, the bidder document, and the application of the review criteria. The same decision should be arrived at each time given the same set of facts.

(v) OBJECTIVE 5: Fair process

The process will be fair, such that no action is undertaken by Health Unit staff to allow any given bidder an unfair advantage. This does not however, require Health Unit action to ensure that existing conditions are changed to ensure that any conversion costs from an incumbent to another supplier are ignored in an evaluation – it is in the best interest of the Health Unit to ensure that such “leveling of the playing field” is not required.

(vi) OBJECTIVE 6: Insurance and Risk Management

The Health Unit’s standard Insurance form (if required) must be completed and forwarded to the Director, Healthy Organization, or designate for review and input into the Insurance Program. WSIB certificates of clearance (if required) must also be submitted to the Director, Healthy Organization, or designate at the commencement of the project and periodically as the work is completed.

- (2) The MOH / CEO awards the contract.

4.3.3.2 Formal Quotation Process (\$50,000 to \$99,999)

- (1) The Director or designate shall provide to the Director, Healthy Organization, or designate a purchase request in writing containing the relevant specifications, budget authorization, approval authority and terms and conditions for the purchase of goods, services or construction.
- (2) The Division shall be responsible to review the quote submission and verify that all specifications of the quote are met.
- (3) Procurement shall forward to the Director a summary of the bids and recommend the award of contract to the lowest responsive quote subject to review by the Director or designate regarding specifications and contractor performance.
- (4) The MOH /CEO awards the contract.
- (6) The Health Unit reserves the right to accept or reject any submission.

4.4 Informal, Low Value Procurement

4.4.1 Goals

To obtain competitive pricing for a one-time procurement in an expeditious and cost effective manner through phone, fax, e-mail, other similar communication method, vendor advertisements or vendor catalogues.

4.4.2 Requirements

- (i) the item is greater than \$5,000 but not greater than \$10,000;
- (ii) the requirement can be fully defined; and
- (iii) best value for the Health Unit can be achieved by an award selection made on the basis of the lowest bid that meets specifications.

4.4.3 General Process

- (1) A minimum of 3 bids must be received. They may be obtained in a more cost-effective manner such as phone, fax, e-mail and current vendor advertisements or catalogues.
- (2) The Division shall be responsible to ensure that all specifications are met.
- (3) The Division Director may award the contract.
- (4) The Division Director shall forward to the Director, Healthy Organization, or designate all relevant procurement documentation including bid summaries to be included in the procurement file.
- (5) The MOH / CEO will be informed, prior to awarding a contract, if the lowest bid/quote is not being accepted.
- (6) The Health Unit has the right to cease negotiations and reject any offer.

5.0 BID AND CONTRACT ADMINISTRATION

5.1 Bid Submission

- (1) Bids shall be delivered in paper form (if required) to the Director, Healthy Organization, or designate at the time and date specified in the bid solicitation.
- (2) The opening of bids shall commence shortly after the time specified by the tender call unless the Director, Healthy Organization, or designate acting reasonably postpones the start to some later hour, but the opening shall continue, once started, until the last bid is opened.
- (3) Any bids received by the Director, Healthy Organization, or designate later than the specified closing time shall be returned unopened to the bidder.
- (4) A bidder who has already submitted a bid may submit a further bid at any time up to the official closing time and date specified by the bid solicitation. The last bid received shall supersede and invalidate all bids previously submitted by that bidder.
- (5) A bidder may withdraw their bid at any time up to official closing time by letter bearing their signature as in his or her bid submitted to the Director, Healthy Organization, or designate or designate.
- (6) A tender requiring an appropriate bid deposit shall be void if such security is not received in the manner specified in section 5.5 and if no other bid is valid, the Director, Healthy Organization, or designate shall direct what action is to be taken with respect to the recalling of tenders.
- (7) All bidders may be requested to supply a list of all subcontractors to be employed on a project. Any changes to the list of subcontractors or addition thereto must be approved by the Director responsible for the project.

5.2 Lack of Acceptable Responses to Requests

- (1) Where bids are received in response to a bid solicitation but exceed budget, are not responsive to the requirement, or do not represent fair market value, a revised solicitation shall be issued in an effort to obtain an acceptable bid.
- (2) In the case of building construction contracts, where the total cost of the lowest responsive bid is in excess of the budget approved by the Board of Health, negotiations shall be made in accordance with the protocols established by the Canadian Construction Documents Committee.
- (3) The Health Unit has the right to cease negotiations and reject any offer.

5.3 Equal Bids

- (1) If two or more bids are equal and are the lowest bid, the Health Unit will offer an opportunity for the tied bidders to re-bid. Should a tie persist the following factors will be considered:
 - (i) prompt payment discount,
 - (ii) when delivery is an important factor, the bidder offering the best delivery date be given preference,

- (iii) a bidder in a position to offer better after sales service, with a good record in this regard shall be given preference,
- (iv) a bidder with an overall satisfactory performance record shall be given preference over a bidder known to have an unsatisfactory performance record or no previous experience with the Health Unit,
- (v) if (i) through (iv) do not break the tie equal bidders shall draw straws.

5.4 Insufficient Responses to Requests

- (1) In the event only one bid is received in response to a request for tender, the Director, Healthy Organization, or designate may return the unopened bid to the bidder when, in his/her opinion, additional bids could be secured. In returning the unopened bid the Director, Healthy Organization, or designate shall inform the bidder that the Health Unit may be recalling the tender at a later date.
- (2) In the event that only one bid is received in response to a request for tender, the bid may be opened in accordance with the Health Unit's usual procedures when, in the opinion of the Director, Healthy Organization, or designate with consultation with appropriate Director, the bid should be considered by the Health Unit. If, after evaluation the bid is found not to be acceptable, they may follow the procedures set out in Subsection 5.2
- (3) In the event that the bid received is found acceptable, it will be awarded as an Irregular result under Appendix "A" of the Purchasing Protocols.

5.5 Guarantees of Contract Execution and Performance

- (1) The Director, Healthy Organization, or designate may require that a bid be accompanied by a Bid Deposit to guarantee entry into a contract.
- (2) In addition to the security referred to in Subsection 5.5 (1), the successful supplier may be required to provide,
 - (i) a Performance Bond to guarantee the faithful performance of the contract,
 - (ii) a Labour & Material Bond to guarantee the payment for labour and materials to be supplied in connection with the contract and,
 - (iii) an irrevocable letter of credit.
- (3) The Director, Healthy Organization, or designate shall select the appropriate means to guarantee execution and performance of the contract. Means may include one or more of, but are not limited to, financial bonds or other forms of security deposits, provisions for liquidated damages, progress payments, and holdbacks.
- (4) When a bid deposit is required the Director, Healthy Organization, or designate shall determine the amount of the bid deposit which may be 10 per cent of the estimated value of the work prior to bidding or an amount equal to 10 per cent of the bid submitted.
- (5) Prior to commencement of work and where deemed appropriate, evidence of Insurance Coverage satisfactory to the Health Unit's Insurer must be obtained, ensuring indemnification of the Health Unit from any and all claims, demands, losses, costs or damages resulting from the performance of a supplier's obligations under the contract.

- (6) When a performance bond or labour and material bond is required, the amount of the bond shall be 50% of the amount of the tender bid, unless the Director, Healthy Organization, or designate recommends and the Board of Health approves a higher level of bonding.
- (7) If the risk to the Health Unit is not adequately limited by the progress payment provisions of the contract, a payment holdback shall be considered.
- (8) A minimum payment holdback of 10 percent is mandatory for all construction contracts.
- (9) The Director, Healthy Organization, or designate may release the holdback funds on construction contracts upon:
 - (i) the contractor submitting a statutory declaration that all accounts have been paid and that all documents have been received for all damage claims,
 - (ii) receipt of clearance from the Workplace Safety and Insurance Board for any arrears of Workplace Safety and Insurance Board assessment,
 - (iii) all the requirements of the Construction Lien Act, R.S.O. 1990, being satisfied,
 - (iv) receipt of certification from the Health Unit Solicitor, where applicable, that liens have not been registered, and
 - (v) substantial performance
- (10) The conditions for release of holdback funds provided in Subsection 5.5 (9) apply to other goods or services contracts with necessary modifications.
- (11) The Health Unit is authorized to cash and deposit any bid deposit cheques in the Health Unit's possession which are forfeited as a result of non-compliance with the terms, conditions and/or specifications of a sealed bid.

5.6 Requirement at Time of Execution

- (1) The successful bidder, if requested in the tender document shall submit the following documentation in a form satisfactory to the Health Unit within ten working days after being notified in writing to do so by the Health Unit:
 - (i) executed performance bonds and labour and material bonds;
 - (ii) executed agreement;
 - (iii) insurance documents in compliance with the tender documents;
 - (iv) declarations respecting the Workplace Safety and Insurance Board;
 - (v) certificate of clearance from the Workplace Safety and Insurance Board; and
 - (vi) any other documentation requested to facilitate the execution of the contract (e.g. proof of required licenses and/or certificates).

5.7 Contractual Agreement

- (1) The award of contract may be made by way of a formal agreement, or Purchase Order.
- (2) A Purchase Order is to be used when the resulting contract is straightforward and will contain the Health Unit's standard terms and conditions.
- (3) A formal agreement is to be used when the resulting contract is complex and will contain terms and conditions other than the Health Unit's standard terms and conditions.
- (4) It shall be the responsibility of the Director or designate with the Director, Healthy Organization, or designate and/or the Health Unit's Solicitor to determine if it is in the best interest of the Health Unit to establish a formal agreement with the supplier.
- (5) Where it is determined that Subsection 5.7 (4) is to apply, the formal agreement should be made in accordance to Health Unit Policy 4-90, Contractual Services.
- (6) Where a formal agreement is issued, Procurement may issue a Purchase Order incorporating the formal agreement.
- (7) Where a formal agreement is not required, Procurement shall issue a Purchase Order incorporating the terms and conditions relevant to the award of contract.

5.8 Contract Amendments and Revisions

- (1) No amendment or revision to a contract shall be made unless the amendment is in the best interest of the Health Unit.
- (2) No amendment that changes the price of a contract shall be agreed to without a corresponding change in requirement or scope of work.
- (3) Amendments to contracts are subject to the identification and availability of sufficient funds within the Board of Health approved operating budget.
- (4) Health Unit staff may authorize amendments to contracts provided that their signing authority level, as outlined in Health Unit policies 4-90, 4-110, has not been exceeded. For clarity, the required authority level is the total of the original contract price plus any amendments.
- (5) Where expenditures for the proposed amendment combined with the price of the original contract exceeds Board of Health approved budget for the project, a report prepared by the Director shall be submitted to the Board of Health recommending the amendment, and proposing the source of financing.

5.9 Contract Review/Renewal

- (1) Where a contract contains an option for renewal, the Director may authorize the Director, Healthy Organization, or designate to exercise such option provided that all of the following apply:
 - (i) the supplier's performance in supplying the goods, services or construction is considered to have met the requirements of the contract,
 - (ii) the Director and Director, Healthy Organization, or designate agree that the exercise of the option is in the best interest of the Health Unit,

- (iii) funds are available in the Board of Health approved operating budget to meet the proposed expenditure.
 - (iv) a valid business case has been completed.
- (2) The business case shall be authorized by the Director and shall include a written explanation as to why the renewal is in the best interest of the Health Unit and include commentary on the market situation and trend.

5.10 Exclusion of Vendors from Competitive Process

5.10.1 Exclusion of Bidders in Litigation

- (1) The Health Unit may, in its absolute discretion, reject a Tender or Proposal submitted by the bidder if the bidder, or any officer or director of the bidder is or has been engaged, either directly or indirectly through another corporation, in a legal action against the Health Unit, its elected or appointed officers and employees in relation to:
 - (i) Any other contract or services; or
 - (ii) Any matter arising from the Health Unit's exercise of its powers, duties, or functions.
- (2) In determining whether or not to reject a quotation, tender or proposal under this clause, the Health Unit will consider whether the litigation is likely to affect the bidder's ability to work with the Health Unit, its consultants and representatives, and whether the Health Unit's experience with the bidder indicates that the Health Unit is likely to incur increased staff and legal costs in the administration of the contract if it is awarded to the bidder.

5.10.2 Exclusion of Bidders Due to Poor Performance

- (1) The Director shall document evidence and advise the Director, Healthy Organization, or designate in writing where the performance of a supplier has been unsatisfactory in terms of failure to meet contract specifications, terms and conditions or for Health and Safety violations.
- (2) The Health Unit may, in consultation with its Solicitor, prohibit an unsatisfactory supplier from bidding on future Contracts for a period of up to three years.

5.11 Single/Sole Source

- (1) The procurement of materials, parts, supplies, equipment or services without competition (See also Section 3.0), is done under exceptional and limited circumstances.
- (2) In circumstances where there may be more than one source of supply in the open market, but only one of these is recommended for consideration on the grounds that it is more cost effective or beneficial to the Health Unit approval must be obtained from the Medical Officer of Health & Chief Executive Officer, and the Director, Healthy Organization, or designate prior to negotiations with the single source.
- (3) In the event 5.4 (2) applies and the expenditure will exceed \$50,000, approval must be obtained from the Board of Health prior to negotiations with the single source. The Director or designate shall be responsible for submitting a report detailing the rationale supporting the use if the single source.
- (4) If the Health Unit requires goods, services or equipment deemed to be available from only one source of supply, and where the expenditure will exceed \$50,000, the Director or designate with the concurrence of the Medical Officer of Health & Chief Executive Officer, and the Procurement & Operations Manager shall obtain approval from the Board of Health to waive the competitive procurement process.

5.12 Blanket Purchases

- (1) A Request for a Blanket Purchase Contract may be used where:
 - (i) one or more Division repetitively order the same goods or services and the actual demand is not known in advance, or
 - (ii) a need is anticipated for a range of goods and services for a specific purpose, but the actual demand is not known at the outset, and delivery is to be made when a requirement arises.
- (2) Procurement shall establish and maintain Blanket Purchase Contracts that define source and price with selected suppliers for all frequently used goods or services.
- (3) To establish prices and select sources, Procurement shall employ the provisions contained in these Protocols for the acquisition of goods, services and construction.
- (5) More than one supplier may be selected where it is in the best interests of the Health Unit and the bid solicitation allows for more than one.
- (5) Where purchasing frequently used good or services is initiated by a Division, it is to be made with the supplier or suppliers listed in the Blanket Purchase Contract.
- (6) In a Request for Blanket Purchase Contract, the expected quantity of the specified goods or services to be purchased over the time period of the agreement will be as accurate an estimate as practical and be based, to the extent possible, on previous usage adjusted for any known factors that may change usage.

5.13 Custody of Documents

- (1) The Director, Healthy Organization, or designate shall be responsible for the safeguarding of original purchasing and contract documentation for the contracting of goods, services or construction and will retain documentation in accordance to the records retention policy.

5.14 Co-operative Purchasing

- (1) The Health Unit shall participate with other government agencies or public authorities in Co-operative Purchasing where it is in the best interests of the Health Unit to do so.
- (2) The decision to participate in Co-operative Purchasing agreements will be made by the Director, Healthy Organization , or designate.
- (3) The policies of the government agencies or public authorities calling the cooperative tender are to be the accepted policy for that particular tender.

5.15 Receipt of Goods

- (1) The Director or designate shall,
 - (i) arrange for the prompt inspection of goods on receipt to confirm conformance with the terms of the contract, and
 - (ii) inform the Director, Healthy Organization, or designate of discrepancies immediately.
- (2) The Director, Healthy Organization, or designate shall coordinate an appropriate course of action with the Director for any non-performance or discrepancies.

5.16 Receipt of Services

- (1) The Director or designate shall:
 - (i) ensure the performance of the services is maintained in a satisfactory manner and in keeping with the terms of the contract and/or agreement.
 - (ii) Division staff are to document any discrepancies in the performance of services.
 - (iii) Inform the Director, Healthy Organization, or designate of poor performance
 - (iv) Inform the Director, Healthy Organization, or designate of any breach of contract and/or agreement.

5.17 Reporting to Board of Health

- (1) The Director, Healthy Organization, or designate shall submit to the Board of Health an information report each Board of Health meeting containing the details for all contracts awarded that exceed \$50,000 including amendments and renewals. The report shall certify that the awards are in compliance with the Purchasing Protocols.
- (2) The Director, Healthy Organization, or designate shall submit annually to the Board of Health an information report containing a list of suppliers for which the Health Unit has been invoiced a cumulative total value of \$100,000 or more in a calendar year. The list shall include total payments.

5.18 Direct Solicitation of Divisions

- (1) Unsolicited Proposals received by the Health Unit shall be reviewed by Director, Healthy Organization, or designate.
- (2) Any procurement activity resulting from the receipt of an Unsolicited Proposal shall comply with the provisions of the Procurement Protocols.
- (3) A contract resulting from an Unsolicited Proposal shall be awarded on a noncompetitive basis only when the procurement complies with the requirements of a non-competitive procurement found in section 3.0 above.

5.19 Lobby

- (1) The Health Unit is committed to the highest standard of integrity with respect to the procurement process. Any activity designed to influence the decision process, including but not limited to, contacting board members, consultants and employees for such purposes as meetings of introduction, social events or meals shall result in disqualification of the bidder. The Health Unit will be entitled to reject a bid submission if any representative or bidder, including any parties that may be involved in a joint venture, consortium, subcontractor or supplier relationship, makes any representation or solicitation to any Board of Health member or employee.

5.20 Local Preference

- (1) In accordance with the Discriminatory Business Practices Act as amended, there shall be no local preference given to any bidder when awarding a bid.

5.21 Interference in Procurement Process

- (1) Board members and employees shall not cause or permit anything to be done or communicated to anyone in a manner which is likely to cause any potential bidder to have an unfair advantage or disadvantage in obtaining a contract for goods and services.
- (2) Board members shall separate themselves from the procurement process and have no involvement whatsoever in specific procurements. Board members should not see any documents or receive any information related to a particular procurement while the process is ongoing. Board members who receive inquiries from bidders related to a specific procurement shall immediately direct those inquiries to the Director of Healthy Organization.

5.22 Resolution of Questions of Protocol

- (1) Any question involving the meaning or application of these Protocols is to be submitted to the Director, Healthy Organization, or designate who will resolve the question.

5.23 Access to Information

- (1) The disclosure of information received relevant to the issue of bid solicitations or the award of contracts resulting from bid solicitations shall be made by the appropriate officers in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, as amended.
- (2) All records and information pertaining to tenders, proposals and other sealed bids, which reveal a trade secret or scientific, technical, commercial, financial or other labour relations information, supplied in confidence implicitly or explicitly, shall remain confidential if the disclosure could reasonably be expected to:
 - (i) prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organizations;
 - (ii) result in similar information no longer being supplied to the Health Unit where it is in the public interest that similar information continue to be so supplied;
 - (iii) result in undue loss or gain to any person, group, committee or financial institution or agency; or
 - (iv) result in information whose disclosure could reasonably be expected to be injurious to the financial interests of the Health Unit.

5.24 Protocol Amendment

- (1) These Protocols or any provision of it may be amended by the Senior Leadership Team from time to time as long as, any change(s) is operational in nature and does not significantly alter the intention or goal of the Protocols.

6.0 CAPITAL ASSET PURCHASES/IMPROVEMENTS AND DISPOSAL

- (1) All construction, renovations or alterations to leased premises under \$50,000 must be reviewed and approved by the Medical Officer of Health & Chief Executive Officer and the Director, Healthy Organization, or designate. Projects over \$50,000 require the authorization of the Board of Health.
- (2) All purchases of computer hardware (including peripheral equipment) and software will be administered by the Manager, Information Technology.
- (3) All purchase of furniture will be administered by the Director, Healthy Organization, or designate.
- (4) Procurement will be notified upon receipt of all purchases involving capital assets to ensure proper accounting and asset-tracking methods are applied.
- (5) Procurement will maintain an inventory of all capital assets that is in accordance to the Public Service Accounting Board guidelines (PSAB) and Generally Accepted Accounting Principles (GAAP).

Disposal of Assets

- (6) All Divisions shall notify the Director, Healthy Organization, or designate when items become obsolete or surplus to their requirements. The Director, Healthy Organization, or designate shall be responsible for ascertaining if the items can be of use to another Division rather than disposed of.
- (7) Items that are not claimed for use by another Division may be sold. If there is no suitable market, then the item could be considered for donation.

7.0 EXCLUDED GOODS AND SERVICES

The following purchases of goods and services are excluded from the Procurement Protocols:

- (1) Purchases under the Petty Cash policy
- (2) Training and Education including:
 - (i) Conferences
 - (ii) Courses
 - (iii) Conventions
 - (iv) Subscriptions
 - (v) Memberships
 - (vi) Association fees
 - (vii) Periodicals
 - (viii) Seminars
 - (ix) Staff development and training including all related equipment, resources, and supplies
 - (x) Staff workshops including all related equipment, resources, and supplies
- (3) Refundable Employee Expenses including:
 - (i) Cash advances
 - (ii) Meal allowance
 - (iii) Travel expenses
 - (iv) Accommodation
- (4) Employer's General Expenses including:
 - (i) Payroll deductions remittances
 - (ii) Medicals
 - (iii) Insurance premiums
 - (iv) Tax remittances
- (5) Licenses, certificates, and other approvals required.
- (6) Ongoing maintenance for existing computer hardware and software.
- (7) Professional and skilled services to clients as part of Health Unit programs including but not limited to medical services (Clinics), counseling services, Speech and Language services and child care.
- (8) Other Professional and Special Services up to \$100,000 including:
 - (i) Additional non-recurring Accounting and Auditing Services
 - (ii) Legal Services
 - (iii) Auditing Services
 - (iv) Banking Services
 - (v) Group Benefits (including Employee Assistance Program)
 - (vi) General Liability Insurance
 - (vii) Realty Services regarding the Lease, Acquisition, Demolition, Sale and Appraisal of Land.

8.0 REVIEWING AND EVALUATING EFFECTIVENESS

- (1) The Health Unit's Auditor shall review and test compliance with the Procurement Protocols during its annual audit, and report any non-compliance to the MOH / CEO on a yearly basis.
- (2) The Senior Leadership Team will review the Protocols annually to ensure the goals and objectives are being met.

9.0 APPENDICES

Appendix A

IRREGULARITIES CONTAINED IN BIDS

IRREGULARITY	RESPONSE
1. Late Bids	Automatic rejection, not read publicly and returned unopened to the bidder.
2. Unsealed Envelopes	Automatic rejection
3. Insufficient Financial Security (No bid deposit or insufficient bid deposit)	Automatic rejection
4. Failure to insert the name of the bonding company in the space provided for in the Form of Tender.	Automatic rejection
5. Failure to provide a letter of agreement to bond where required.	Automatic rejection
6. Incomplete, illegible or obscure bids or bids which contain additions not called for, erasures, alterations, errors or irregularities of any kind.	May be rejected as informal
7. Documents, in which all necessary Addenda have not been acknowledged.	Automatic rejection
8. Failure to attend mandatory site visit.	Automatic rejection
9. Bids received on documents other than those provided by the Health Unit.	Automatic rejection
10. Failure to insert the Tenderer's business name in one of the two spaces provided in the Form of Tender.	Automatic rejection
11. Failure to include signature of the person authorized to bind the Tenderer in the space provided in the Form of Tender.	Automatic rejection
12. Conditions placed by the Tenderer on the Total Contract Price.	Automatic rejection
13. Only one bid is received.	a) Bid returned unopened if additional bids could be secured. b) If the bid should be considered in the opinion of the Director, Healthy Organization , or

IRREGULARITY	RESPONSE
	designate, and is found acceptable, then it may be awarded.
14. Bids Containing Minor Mathematical Errors	<ul style="list-style-type: none"> a) If the amount tendered for a unit price item does not agree with the extension of the estimated quantity and the tendered unit price, or if the extension has not been made, the unit price shall govern and the total price shall be corrected accordingly b) If both the unit price and the total price are left blank, then both shall be considered as zero. c) If the unit price is left blank but a total price is shown for the item, the unit price shall be established by dividing the total price by the estimated quantity. d) If the total price is left blank for a lump sum item, it shall be considered as zero. e) If the Tender contains an error in addition and/or subtraction and/or transcription in the approved tender documentation format requested (i.e. not the additional supporting documentation supplied), the error shall be corrected and the corrected total contract price shall govern. f) Tenders containing prices which appear to be so unbalanced as to likely affect the interests of the Health Unit adversely may be rejected.

Appendix B

Summary of Types of Procurement with Goals

Competitive Process Seeking Multiple Bids or Proposals				Non-Competitive Procurement
Request for Proposal	Request for Tender	Request for Quotation	Informal Low Value Procurement	
<p>To implement an <u>effective, objective, fair, open, transparent, accountable</u> and <u>efficient</u> process for obtaining unique proposals designed to meet broad outcomes to a complex problem or need for which there is no clear or single solution.</p> <p>To select the proposal that earns the highest score and meets the requirements specified in the competition, based on qualitative, technical and pricing considerations.</p>	<p>To implement an <u>effective, objective, fair, open, transparent, accountable</u> and <u>efficient</u> process for obtaining competitive bids based on precisely defined requirements for which a clear or single solution exists.</p> <p>To accept the lowest bid meeting the requirements specified in the competition.</p>	<p>Same as for Request for Tender, except that bid solicitation is done primarily on an <u>invitational basis from a pre-determined bidders</u> list but may be supplemented with posting the bid on a website to provide a single point of access, free of charge.</p>	<p>To obtain <u>competitive pricing</u> for a one-time procurement in an expeditious and cost effective manner through phone, fax, e-mail, other similar communication method, vendor advertisements or vendor catalogues.</p>	<p>To allow for procurement in an <u>efficient and timely manner</u> without seeking competitive pricing.</p>

Appendix C

Procurement Circumstances

Item	Competitive Process Seeking Multiple Bids or Proposals				Non-Competitive Procurement
	Request for Proposal	Request for Tender	Request for Quotation	Informal, Low Value Procurement	
Dollar value of procurement	> \$100,000	> \$100,000	\$10,000-\$100,000	\$5,000 - \$10,000	< \$5,000 or Any value, subject to proper authorization
Purchaser has a clear or single solution in mind and precisely defines technical requirements for evaluating bids or proposals	Rarely	Always			
In evaluating bids/proposals from qualified bidders, price is the primary factor and is not negotiated	Low to Moderate Likelihood	Always			Not Applicable

Appendix D

Descriptive Features of Procurement Processes

Item	Competitive Process Seeking Multiple Bids or Proposals				Non-Competitive Procurement
	Request for Proposal	Request for Tender	Request for Quotation	Informal, Low Value Procurement	
Sealed bids or sealed proposals required	Electronic bids are acceptable			Not Applicable	
Issue a Request for Information or a Request for Expressions of Interest/Pre-qualification prior to or in conjunction with a call for bids or proposals	Moderate to High Likelihood	Low to Moderate Likelihood		Not Applicable	
Post Period	If greater than \$100,000, bid documents must be posted for 40 days; posting periods can be reduced to 25 days if an electronic bid process is used	40 days; posting periods can be reduced to 25 days if an electronic bid process is used	14 days	Not Applicable	
Notice Periods	If greater than \$100,000, Within 72 Days of award of Contract, notice must be published on the tendering website with the names, description, date of award, value of successful proposal	Within 72 Days of award of Contract, notice must be published on the tendering website with the names, description, date of award, value of successful tender	Not Applicable	Not Applicable	

Item	Competitive Process Seeking Multiple Bids or Proposals				Non-Competitive Procurement
	Request for Proposal	Request for Tender	Request for Quotation	Informal, Low Value Procurement	
Transparency	If Greater than \$100,000, Promptly inform participating suppliers of contract award decisions and on request of the supplier in writing. On request, must explain why losing bid lost	Promptly inform participating suppliers of contract award decisions and on request of the supplier in writing. On request, must explain why losing bid lost	Should consider		Not Applicable
Negotiations	May conduct negotiations with suppliers if (a) it's provided in proposal notice (b) it appears during evaluation that no tender is most advantageous	May conduct negotiations with suppliers if (a) it's provided in proposal notice (b) it appears during evaluation that no tender is most advantageous	May conduct negotiations with suppliers if (a) it's provided in proposal notice (b) it appears during evaluation that no tender is most advantageous		Not Applicable
Formal process used to pre-qualify bidders/ proponents (i.e. Request for Pre-qualification)	Moderate to High Likelihood		Low Likelihood		Not Applicable
Seek bids or proposals from known bidders/ proponents (Bidders List)	Moderate to High Likelihood	Low to Moderate Likelihood	Always		Moderate to High Likelihood

Appendix D (Cont'd)

Descriptive Features of Procurement Processes (Cont'd)

Item	Competitive Process Seeking Multiple Bids or Proposals				Non-Competitive Procurement
	Request for Proposal	Request for Tender	Request for Quotation	Informal Low Value Procurement	
Two-envelope ¹ or similar multi-stage approach used	Moderate to High Likelihood	Not Applicable			
Bids or proposals opened and reviewed at a meeting (Public or not ²)	Always	Always	Moderate to High Likelihood	Not Applicable	
Type of agreement with supplier	Purchase order, legally executed agreement, or blanket contract (standing agreement/offer).			Purchase by cash, purchase order, or credit card.	Cash, purchase order, credit card, legally executed agreement, or blanket contract (standing agreement/offer)
May include In-house bidding in addition to external bidding	No			Not applicable	

¹ In the two-envelope approach, qualitative and technical information is evaluated first and pricing information in a separate envelope is evaluated thereafter only if the qualitative and technical information meet a minimum score requirement predetermined by the municipality/local Board. For more details, see Appendix F.

² This may depend on the nature proprietary information. Additionally, refer to By-law #3 Proceedings of the Board of Health for when items may be considered “in-camera” and exemptions that may apply under Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) and Freedom of Information and Protection of Privacy Act (FIPPA).

Appendix E

THE “TWO-ENVELOPE” PROCUREMENT PROCESS

The two-envelope approach is used when the purchaser wants to evaluate the technical and qualitative information of a given proposal without being influenced by prior knowledge of the corresponding pricing information. Proposal evaluation is done usually by a team of staff from possibly more than one department who have relevant expertise for making the evaluation.

In the two-envelope approach, each proponent must submit qualitative and technical information in a sealed envelope (envelope one) and pricing information in a second sealed envelope (envelope two). The contents of envelope one are evaluated and scored according to pre-determined criteria such as relevant firm experience, project team’s qualifications/experience, personnel time allocation, understanding of scope of work, methodology/thoroughness of approach, quality and completeness of proposal submission, etc.

When the scoring of envelope one is completed, then the pre-determined process for moving to envelope two is followed. In some procurement strategies, a minimum score threshold is in place at envelope one, and only proposals which meet or exceed that threshold are eligible to proceed to the opening of envelope two and subsequent price evaluation. If a proposal is not eligible to proceed to price evaluation, the proponent is disqualified from further consideration and the second envelope is returned to the proponent unopened.

For each proposal where envelope two is opened, the bid price(s) are scored according to the pre-determined process. The particular procurement and evaluation strategy will dictate the process for scoring the price and subsequently taking the scores from the envelope one and envelope two processes into account, resulting in a total evaluated score for the proposal. The total evaluated scores are ranked, and the proposal with the highest ranked score is considered the successful proposal, unless council or the local Board, as applicable, decides otherwise. In the event of a tie, the pre-determined process for handling a tie is followed.

GOVERNANCE MANUAL

SUBJECT: Reserve and Reserve Funds
SECTION: Financial and Organizational
Accountability

POLICY NUMBER: **G-250**
PAGE: 1 of 2

IMPLEMENTATION: June 15, 2017
SPONSOR: MOH/CEO
REVIEWED BY: Finance and Facilities
Committee

APPROVAL: Board of Health
SIGNATURE:
DATE: June 15, 2017

PURPOSE

To provide a process for establishing, maintaining, and using reserves and reserve funds.

POLICY

The maintenance of reserves and reserve funds is an acceptable business practice that helps to protect the Middlesex-London Health Unit (MLHU) and its funders from future funding liabilities. In order for MLHU to address one-time or short-term expenditures, either planned or unplanned, which arise, it is necessary to maintain reserves and/or reserve funds.

MLHU will attempt to offset any unexpected expenditures within the annual operating budget for all MLHU programs where possible without jeopardizing programs.

Establishment of Reserves and Reserve Funds

Any reserve and reserve fund will be established by resolution of the Board of Health which will provide the purpose or use, maximum contributions, and expected timelines for contributions and drawdowns. (Refer to Appendix A for a list of MLHU reserves and reserve funds.)

Any reserve or reserve fund is to be held in accordance to Policy G-210 Investment.

Contributions and Drawdowns

Any planned contributions and drawdowns to the reserves or reserve funds will be included in the annual operating budget approved by the Board of Health. Any audited unexpended municipal funds are eligible for transfer to a reserve or reserve fund by resolution of the Board of Health subject to consultation with municipal councils.

Any unplanned withdrawals from the reserves or reserve funds will be approved by resolution of the Board of Health.

Any contributions to reserves or reserve funds that include funding from municipal sources will be made using the same municipal apportionment used for funding public health programs.

Limits

The maximum contributions to a reserve fund shall not exceed the amount required to fulfill the specific requirement.

MIDDLESEX-LONDON HEALTH UNIT

GOVERNANCE MANUAL

SUBJECT: Reserve and Reserve Funds
SECTION: Financial and Organizational
Accountability

POLICY NUMBER:
PAGE:

G-250
2 of 2

The maximum contributions to reserves for any particular operating year shall not exceed 2% of gross revenues found on the annual statement of operations of the audited financial statements.

The maximum cumulative reserves shall not exceed 10% of gross revenues found on the annual statement of operations of the audited financial statements.

Annual Reporting

An annual report will be provided to the obligated municipalities outlining the transactions of the reserve and reserve funds during the previous year. Where possible, planned or future contributions and drawdowns will be included.

DEFINITIONS

“Reserves” mean amounts set aside by resolution of the Board of Health that are carried year to year mainly as contingencies against unforeseen events or emergencies.

“Reserve Funds” mean amounts set aside for specific purposes by resolution of the Board of Health. They are carried from year to year unless consumed or formally closed.

APPENDICES

Appendix A – MLHU Reserve and Reserve Fund Summary

RELATED POLICIES

G-210 Investment

REVISION DATES (* = major revision):

2014-11-20, 2019-11-21*

Middlesex-London Health Unit Reserve/Reserve Fund Summary

Funding Stabilization Reserve

Purpose:

The Funding Stabilization Reserve Fund is required to ensure the ongoing financial stability and fiscal health of MLHU. Generally, the use of these funds falls within these three categories:

- 1) *Operating and Environmental Emergencies* – highest priority and are based on public safety and demand nature of the expenditure.
- 2) *Revenue Stability and Operating Contingency* - intended to stabilize the impacts of cyclical revenue downturns and operating cost increases that are largely temporary and not within MLHU's ability to adjust in the short-term.
- 3) *Innovation* – incentive to encourage creativity and innovation, funds maybe be used to explore innovative and creative solutions directed towards making MLHU more efficient and effective.

Fund Limit:

Total fund balance shall not exceed 10% of gross revenues in any given year.

Maximum Yearly Contribution:

Annual contributions to the fund shall not exceed 2% of gross revenues in the year the contribution is made.

Technology & Infrastructure Reserve Fund

Purpose:

The Technology and Infrastructure Reserve is established to create a funding source for buildings and infrastructure capital projects, new equipment purchases and capital replacement programs. Use of the reserve is restricted to the following types of purchases:

- Major construction, acquisition, or renovation activities as approved by the Board
- Major purchases of information technology software or hardware.
- Vehicle, furniture and/or equipment replacement

Fund Limit:

\$ 2 million

Maximum Yearly Contribution:

Annual contributions = \$250,000

Employment Costs Reserve Fund

Purpose:

Contributions are available to maintain services by alleviating the impact of the growth of wages and/or benefits and other related employment costs.

Fund Limit:

\$200,000

Maximum Yearly Contribution:

Annual contributions = \$200,000

GOVERNANCE MANUAL

SUBJECT: Local Health Integration Network Relationships	POLICY NUMBER:	G-395
SECTION: Board Effectiveness	PAGE:	1 of 1
IMPLEMENTATION: September 20, 2018	APPROVAL: Board of Health	
SPONSOR: MOH / CEO	SIGNATURE:	
REVIEWED BY: Governance Committee	DATE: September 20, 2018	

POLICY

The Patients First Act calls for formal linkages between the Local Health Integrations Networks (LHINs) and Boards of Health. Through the Ontario Public Health Standards there is a requirement to engage in population health assessment and integrated planning which constitutes part of the Accountability Agreement between the Board of Health and the Minister of Health and Long-Term Care.

The Middlesex-London Health Unit Board of Health will work closely with the South West LHIN in health policy matters particularly with regard to population health assessment and integrated health planning.

The Medical Officer of Health/Chief Executive Officer (MOH/CEO) shall work with the Chief Executive Officer of the LHIN to develop the plan and objectives and report to the Board on a regular basis on progress of the Plan.

APPLICABLE LEGISLATION

Health Protection and Promotion Act, R.S.O. 1990, c. H.7
Municipal Act, 2001, S.O. 2001, c. 25
Patients First Act

RELATED POLICIES

G-260 Governance Principles and Board Accountability
G-360 Removal and Resignation of Board Members
G-370 Board of Health Orientation and Development
G-380 Conflicts of Interest and Declaration

REVISION DATES (* = major revision):