

	<b>POLICY</b> Number: 7311-20-007 Title: COMPETITIVE BIDDING
Authorization [ ] President and CEO [X] Vice President, Finance and Administration	Source: Director, Supply Chain Management and Support Services Cross Index: 7311-40-002, 7311-30-005 Date Approved: October 2004 Date Revised: March 28, 2012 Date Effective: April 2, 2012 Date Reaffirmed: Scope: SHR

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### OVERVIEW

The Supply Chain and Support Services Department is responsible for the facilitation of all procurements for Saskatoon Health Region (SHR). This includes coordination of the competitive bidding process and providing advice regarding procurement strategies.

### DEFINITIONS

**Competitive Bidding** means tendering process using an electronic tendering system; a transparent procurement method of requesting bids/proposals from contractors/vendors/suppliers through an open, non-discriminatory channel, in an effort to stimulate competition and obtain the required goods and/or services at the best value.

**Contract** means an agreement between two or more parties, with specific terms and conditions; a means of procurement, resulting from the competitive bidding process.

**Contract Owner** means primary contact for department/unit/sector(s) requiring procurement; in the case of multiple departments, there may be a primary contract owner and/or multiple contract owners.

**Procurement** means the acquisition of goods and/or services.

**Proponent** means any party responding to a request for competitive bid.

**Request for competitive bid** means Request for Proposals (RFPs), Request for Quotations (RFQs), and Invitation to Tender (ITT).

**Stakeholder** means any party (internal or external) having an interest or being affected by procurement.

## 1. PURPOSE

The purpose of this policy is to establish SHR's requirements regarding competitive bidding at the regional level.

## 2. PRINCIPLES

- 2.1 SHR has a responsibility to ensure financial stewardship and ethical spending of public resources.
- 2.2 Competitive bidding provides the highest degree of competition and fairness that balances accountability and efficiency.

## 3. POLICY

3.1 SHR shall comply with the *New West Partnership Agreement* which governs competitive bidding in Western Canada, as well as the *Agreement on Internal Trade, Chapter Five, Annex 502.4* which governs competitive bidding in Canada nationwide.

3.1.1 All SHR procurement activities valued in excess of \$75,000 for goods and/or services and \$200,000 for construction require the procurement to undergo competitive bidding.

- The procurement value is determined by the total value of the required goods and/or services over the term of the contract.
- Staff shall not circumvent the established limits by sub-dividing contracts into smaller amounts.

3.1.2 All requests for competitive bids shall be made publically available using an electronic tendering system.

3.1.3 All requests for competitive bids must contain and clearly define:

- the requirements of the procurement
- the criteria that will be used in the evaluation of the procurement
- the method(s) of evaluating the criteria

### EXCEPTIONS

3.1.4 Where an unforeseeable situation of urgency exists and the goods, services or construction cannot be obtained in time by means of competitive bidding.

- 3.1.5 Sole source procurement is acceptable only under certain circumstances.<sup>1</sup> (i.e. to ensure compatibility/standardization with existing products/equipment).
- 3.1.6 All exceptions shall be approved by the Regional Procurement and Contract Specialist and/or the Director, Supply Chain and Support Services.
- 3.2 All requests for competitive bids shall be assigned a contract owner(s).
- 3.3 Proponents are required to access the request for competitive bids only via the electronic tendering system.
- 3.4 SHR shall make any and all additional information, relevant to a request for competitive bid, available to all proponents.
- 3.5 Responses/submissions to requests for competitive bids made after a specified deadline will not be accepted.
- 3.6 All decisions/contracts resulting from a request for competitive bid shall be executed according to the pre-determined evaluation criteria and methodology.
- 3.7 The authority to execute contracts from a request for competitive bid shall comply with SHR Signing Authority Policy,
- 3.8 All contract awards shall be documented and notice of successful proponents made available to the public via the electronic tendering system.

#### **4. ROLES AND RESPONSIBILITIES**

##### **4.1 Contract Owner/Stakeholders**

- Establish the specific needs and detailed specifications for all procurements that require competitive bidding.

##### **4.2 Supply Chain and Support Services**

- Ensure all procurements that require competitive bids meet SHR requirements
- Coordinate and oversee the competitive bidding process.

#### **5. POLICY MANAGEMENT**

The management of this policy including policy education, monitoring, implementation and amendment is the responsibility of Director, Supply Chain Management and Support Services.

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<sup>1</sup> AIT, Chapter Five ,Annex 502.4 Appendix D

**6. NON-COMPLIANCE/BREACH**

Non-compliance with this policy will result in a review of the incident. Repeated non-compliance may result in disciplinary action, up to and including termination of employment and/or privileges with SHR.

**7. REFERENCES**

Agreement on Internal Trade, Chapter Five: Procurement, Annex 502.4  
Government Procurement, *Due Diligence in the Tendering Cycle*, Paul Emanuelli  
New West Partnership Agreement, April 2010  
WTO Agreement on Government Procurement

## PROCEDURE

Number: 7311-20-007

Title: COMPETITIVE BIDDING

### Authorization

President and CEO

Vice President, Finance and Administration

Source: Director, Supply Chain Management and Support Services

Cross Index:

Date Approved: October 2004

Date Revised: March 28, 2012

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Scope: SHR

## 1. PURPOSE

The purpose of this procedure is to establish the process for procurements that require competitive bidding.

## 2. PRINCIPLE

SHR's competitive bidding process is a fair, open and transparent means of procurement.

## 3. PROCEDURE

- 3.1 In the case that a contract for desired goods or services or construction does not exist, the contract owner contacts the Regional Procurement and Contract Specialist to proceed with initiating procurement.
- 3.2 In the case of an existing contract approaching expiry, the Regional Procurement and Contract Specialist notifies the contract owner(s) and stakeholders.
- 3.3 If the procurement is for the supply of goods or services, the Regional Procurement and Contract Specialist notifies Healthcare Saskatchewan Shared Services Organization (HS3) of required procurement and acts upon the direction of HS3.
- 3.4 In instances where an external third party is required to be involved in the competitive bid process and procedure, contract owner(s) must request third party inclusion from Regional Procurement & Contract Specialist. All necessary stakeholders will assist in defining roles and responsibilities. All procurement performed by external third parties on behalf of SHR must abide by this policy.

### Procurement coordinated at the regional level:

- 3.5 Regional Procurement and Contract Specialist and contract owner work together to identify stakeholders and gather input.

- 3.6** Regional Procurement and Contract Specialist works with the contract owner to seek ideas/strategies/alternatives in the market. A Request for Information (RFI) may be issued to develop 'baseline requirements' for request for competitive bid documents.
- 3.7** If required, the Manager of Clinical Equipment and Product Standardization will arrange for evaluations of the various required goods. Evaluation results will be used during bid evaluation process.
- 3.8** Regional Procurement and Contract Specialist and contract owner/stakeholders work together to determine the request for competitive bid document (RFP, RFQ, ITT, other means); schedules/timelines and other relevant details to be discussed and noted.
- 3.9** Contract owner develops the request for competitive bid document that contains the requirements of the procurement, the criteria that will be used in the evaluation of the procurement and the method(s) of evaluating the criteria.
- 3.10** Regional Procurement and Contract Specialist forwards draft request for competitive bid document to contract owner, stakeholder(s) and legal counsel for review, compiles feedback and finalizes the request for competitive bid document.
- 3.11** Regional Procurement and Contract Specialist posts the request for competitive bid to a designated provincial site ([www.SaskTenders.gov.sk.ca](http://www.SaskTenders.gov.sk.ca)).
- 3.12** Upon bid deadline, Regional Procurement and Contract Specialist screens bid submissions for compliance with minimum requirements (received on time, in right quantity, contains required content, etc); any non-compliant bids are excluded from the evaluation process. The Regional Procurement and Contract Specialist notifies bidders of non-compliance.
- 3.13** Regional Procurement and Contract Specialist distributes compliant bids (or bid summaries) to contract owner and/or stakeholders for review (as per pre-determined evaluation methodology).
- 3.14** Regional Procurement and Contract Specialist, contract owner/stakeholders evaluate bids.
- 3.15** Where applicable, a shortlist is generated and interviews and/or evaluations conducted.
- 3.16** Contract owner/stakeholders, in consultation with Regional Procurement and Contract Specialist, determine a preferred proponent as per pre-determined criteria and methodology.
- 3.17** Regional Procurement and Contract Specialist may generate a 'Letter of Intent' to preferred proponent, indicating intent to award contract. Letters of Regret may be issued to all other proponents.

- 3.18 Negotiations with preferred proponent conducted according to pre-determined procurement strategy.
- 3.19 Upon completion of negotiations, Regional Procurement and Contract Specialist prepares final contract documentation and forwards to legal counsel and authorized individual(s) for signature as per SHR Signing Authority Policy.
- 3.20 Regional Procurement and Contract Specialist secures final signatures on contract documents and distributes copies accordingly. Originals are retained in Supply Chain and Support Services.
- 3.21 Regional Procurement and Contract Specialist posts formal contract award notice to a designated provincial site ([www.SaskTenders.gov.sk.ca](http://www.SaskTenders.gov.sk.ca)).
- 3.22 Where required, Regional Procurement and Contract Specialist and contract owner provide debrief sessions to unsuccessful proponents.

#### 4. **PROCEDURE MANAGEMENT**

The management of this procedure including procedure education, monitoring, implementation and amendment is the responsibility of the Director, Supply Chain Management and Support Services.

#### 5. **NON-COMPLIANCE/BREACH**

Non-compliance with this procedure may result in a review of the incident.

#### 6. **REFERENCES**

SHR Policy *Competitive Bidding*