Purchasing Policy and Purchasing Plan Procedures

HiFlex Physio

Policy

1. Introduction

a. This policy is intended to provide and procedures necessary for the conduct of purchasing activities for HiFlex Physio. This policy is designed to:

- Encourage maximum competition through fair and equal opportunity to those qualified and interested bidders.
- Provide a uniform procedure for the procurement of material, equipment, supplies and services.
- Ensure that the stakeholders are getting the 'best overall value' for their dollars.
- Apply to all HiFlex Physio Centres under the Board of Directors.

2. Purchasing Procedures

a. All purchases require prior approval by the General Manager Finance.

b. All purchases and expenditures for service shall have a purchase order. The only exception is if the General Manager Finance has a written contract or agreement on file.

c. Purchase orders shall be issued prior to purchase.

d. Some of the factors considered when determining the 'best overall value' are:

- Price
- Quality
- Warranty
- Service
- Availability
- Past Performance with HiFlex Physio
- References

3. For Purchases

a. Under $500.00: Employees are encouraged to do whatever is practical to secure competitive pricing from multiple sources. The telephone quotation form may be utilized to document pricing.

b. Between $500.00 and $2,999.99: Informal bids from at least three sources must be obtained. Bids should be documented on the 'telephone quotation form' or may be supported by written quotations from vendors. This documentation should be attached to the purchase order (P.O.). General Manager Finance must approve the purchase prior to the issuance of a P.O.

c. **Between $3,000.00 and $4,999.99:** Informal written bids from at least three sources must be obtained. Faxed quotations are acceptable. Purchases must be supported by written quotations from vendors. Direct solicitation is allowed. Award of purchase requires the approval of the General Manager Finance.

d. **Between $5,000.00 and $9,999.99:** The formal sealed bid is used for major purchases. An invitation to bid must be publicly advertised at least fourteen (14) days prior to the date set for opening. Bid specifications require the approval of the Chief Executive Officer. Formal bids must be received sealed and in writing by a posted deadline.

e. **Over $10,000.00:** The formal sealed bid is used. Bid specifications require the approval of the Board of Directors.

All bids shall be opened at a date, time and place designated in the bid request. The Chairman of the Board, Chief Executive Officer, General Manager Finance or their designee and other staff members of the executive team shall open all bids under dual control. Late bids will not be accepted. Award of purchase or contract requires the approval of the Chairman of the Board, Chief Executive Officer, General Manager Finance depending on their authority and the amount of the tender.

If at least three bids are not received the General Manager Finance may require a re-bid.

4. Professional Service Contracts

Either the Request for Proposal (RFP) or the Request for Qualifications (RFQ) process) or a combination) may be used. The primary difference between the two processes is that in the RFP process a specific proposal is received and evaluated. The proposal includes a scope of work and a cost proposal. In the RFQ process, Statements of Qualifications (SOQs) are received and selection is made upon those qualifications. In this process, a mutually acceptable scope of work and contract amount is negotiated with the successful bidder.

The RFP/RFQ must be approved by the General manager Finance, must be in writing and must be received in the Head Office and publicly advertised at least fourteen (14) days prior to the date set for opening. Proposals or SOQs must be submitted in a sealed envelope marked with the name of the request as indicated in the instructions.

Proposals shall be opened at a date, time and place designated in the RFP. All proposals shall be opened under dual control by the Chairman of the Board, Chief Executive Officer, General Manager Finance (or their designee) and other pertinent executive staff. The proposals shall be analysed (based upon the ‘best overall value’ to HiFlex Physio) and documented including staff recommendation. Award shall be made by the Chief Executive Officer including approval of contracts.

5. Cases Not Requiring Bidding Procedure

The General Manager Finance may approve a purchase order without bid under the following conditions:

a. Item is within their delegated authority.

b. Only one known source of purchase, and there is no comparable substitute product or service; written documentation supporting the sole source must be provided.

c. Specific type or brand of supply or part necessary for acceptable operation of a machine or device, or as required by warranty or contract on the machine or device; written documentation supporting the purchase of a specific brand or part necessary for acceptable operation of a machine or device must be provided.

d. An item or service that is required on an emergency basis.

e. An item previously awarded within the past twelve (12) months.

6. Emergency Procurements

Emergency Procurements Definition: Emergency procurements may be made when a threat exists to public health, welfare or safety, provided that such emergency procurement shall be made with such competition as is practical under the circumstances.

In case of an emergency requiring immediate purchase of materials, supplies, equipment or services, the General Manager Finance hereby authorizes the Centre Managers to approve such emergency purchase If the situation permits. The General Manager Finance shall be notified as soon as possible as to the emergency and the associated purchases. A written determination for the basis of the emergency and for the selection of the particular contractor or vendor shall accompany the purchase order and voucher. As soon as is practicable, standard purchasing procedures will be reinstated.

7. Artificial Division Prohibited

Purchases shall not be artificially divided so as to create lower purchase amounts and therefore avoid some requirements of this policy. Whether or not a proposed purchase constitutes artificial division shall be determined by the General Manager Finance.

8. Exceptions

Exceptions to the policy will be determined on a case-by-case basis by the General Manager Finance.

9. Local Advantage

HiFlex Physio will make every effort to purchase from businesses located within the local area requiring the good or services if the purchase fits into the category of ‘best overall value’. It must be noted that HiFlex Physio employees have a responsibility to the stakeholders of HiFlex Physio to ensure that bids are awarded to vendors offering their products or services at the ‘best overall value’ to HiFlex Physio.

10. Cancellation and Rejection of Bids

An invitation to bid, request for proposal, or other solicitation may be cancelled, or any or all bids or proposals may be rejected, in whole or part, as may be specified in the solicitation when it is in the best interest of HiFlex Physio. The reasons shall be made part of the formal bid file.

11. Pre-Qualifications of Suppliers

Prospective suppliers may be pre-qualified for particular types of supplies and technical and construction services.

A ‘Request for Qualifications’ will be solicited and advertised in order to establish a pre-qualified vendors list. Upon establishment of a pre-qualified vendors list, requests for proposals or requests for quotations may be submitted to individuals or companies on the list.

12. Ethics in Public Purchasing and Contracting

It shall be unethical for any HiFlex Physio employee involved in making procurement decisions to have personal investments in any business entity that will create a substantial conflict between their private interests and their public duties.

It shall be unethical for any person to offer, give, or agree to give any HiFlex Physio employee, or for any HiFlex Physio employee to solicit, demand, accept, or agree to accept from any vendor or business, a gift or gratuity in any amount in connection with any decision, approval, disapproval, or recommendation concerning a solicitation.
Inexpensive advertising items, bearing the name of a vendor, such as pens, pencils, paper weights, cups, candy, calendars, etc., are not considered articles of value or gifts in relation to this policy.
Failure to comply with the provisions of this policy will result in disciplinary action.

13. Authority

These policies are adopted by the Board of Directors as it relates to their management of prudential affairs and their authority over expenditures for HiFlex Physio.

Purchasing Plan Procedures

Procedures

a. If the total amount of purchases exceeds authorised amount allocated to the Centre Manager, formal procedures must be utilized. Formal procedures can be invitation for Sealed Bid (IFB) or Tender. Formal procedures will be as follows:

1. Develop descriptions for all items.

2. Develop instructions for providing service or product.

3. Advertise in a newspaper of general circulation.

4. Mail descriptions, instructions, and response documents to all potential bidders.

5. Open and tabulate responses in a meeting with at least one (1) member of the Executive Finance Team officiating.

6. Submit recommendation to the Executive or Board as appropriate to delegated authorities for award of contract.

b. If the purchases are not covered by section A of this plan, these purchases shall be made by use of the local Centre procedures. Small purchase procedure is as follows:

1. Develop descriptions for all items.

2. Develop instructions for providing service or product.

3. Obtain price quotes from a minimum of three suppliers.

4. Prepare a price quote documentation sheet, and indicate the supplier who was awarded the quote and the length of time the price is set.

5. Submit documentation sheet for approval to assistant superintendent for business.

c. If it is necessary to make an emergency purchase to continue uninterrupted service, the purchase shall be made using non-competitive negotiation to establish contract terms and price.

A log of all such purchases shall be maintained and reviewed monthly by the General Manager Finance for the business of each Centre. The log of emergency purchases shall show:

1. Item name

2. Dollar amount

3. Vendor

4. Reason for emergency

d. All purchases will be conducted as follows:

1. The Centre Manager will requisition supplies, and equipment for Centre use. Requisition does not mean a form – the requisition could be electronic, a pre-printed form, a standing order, or any method that leads to an efficient ordering system.

2. The Centre Manager or nominated staff member will place orders based on prices that are established through an approved purchase method.

3. The Centre Manager or nominated staff member who has received appropriate receiving training will receive products.

4. The Centre receiver is only responsible for checking the brand, if appropriate, and the quantity. The Centre Manager will check the price on the invoice against the order price.

5. The Centre Manager will develop and interpret specifications/descriptions.

6. The Centre Manager will approve brand or quality substitutions prior to delivery.

7. The General Manager Finance shall issue request for prices and receive response to request for price.

e. All purchases will be conducted using the procedures on these pages.

f. All records shall be maintained by General Manager Finance.

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G. Purchasing Code of Conduct

The following conduct is expected of all persons who are engaged in the award and administration of contracts supported by HiFlex Physio funds.

No employee or agent of HiFlex Physio shall participate in selection or in the award or administration of a contract supported by HiFlex Physio funds if a conflict of interest, real or apparent, would be involved.

Conflicts of interest arise when a HiFlex Physio employee:

1. Has a financial or other interest in the firm selected for the award;

2. Is an employee, officer, or agent of the firm selected for the award;

3. Has a member of the immediate family who is an employee, officer, or agent of the firm selected for the award;

4. Has a financial interest in the firm selected for the award;

5. Is about to be employed by the firm selected for the award; or

6. Has a member of the immediate family who is about to be employed by the firm selected for award.

To ensure objective contractor performance and eliminate unfair competitive advantage, however, a person that develops or drafts specifications, requirements, statements of work, invitations for bids, requests for proposals, contract terms and conditions or other documents for use by HiFlex Physio in conducting procurement shall be excluded from competing for such procurements regardless of the procurement method used.

HiFlex Physio employees, officers or agents shall neither solicit nor accept gratuities, favours, or anything of material monetary value from contractors, potential contractors, or parties to sub-agreements.

The purchase during the work day of any food or service from a contractor for individual use is prohibited.
The removal of any supplies, equipment or HiFlex Physio property, such as official records, books and the like is prohibited.

Failure of any employee to abide by the above stated code could result in a fine, or suspension, or both, or dismissal.
Interpretation of the code will be given at any time by contacting the General Manager Finance in Head Office.

H. Resolution of controversies

1. Any actual or proposed supplier who is aggrieved in connection with a proposed purchase may protest to the General Manager Finance.

2. The protest shall be in writing.

3. The protest shall be delivered within 10 days of the action which is being aggreieved.

4. A hearing will be scheduled within 15 days of receipt of protest. This may be face-to-face or by teleconference.

5. The proposed purchase will be delayed until the protest is resolved unless the delay will result in disruption of service to clients. In the event it is determined that the purchase is necessary, an emergency shall be declared by the General Manager Finance for business and emergency purchase procedures will be followed until protest resolution.

6. The decision of the General Manager Finance shall be in writing and shall be delivered to the aggrieved supplier with proof of delivery required.

7. The aggrieved supplier shall be notified that an appeal of the General Manager Finance's decision is possible. The appeal request should be written and addressed to the Head Office in Cairns.

I. Public access to procurement information

1. All bids/offers shall be taken under advisement. Between the time an IFB/RFP is opened and awarded it may be viewed by any company or individual who entered a response to the proposed intent to purchase.

2. After acceptance, procurement information is available to the general public except as noted below:

- Any supplier providing information as a part of a proposal or offer shall stamp each page which they consider proprietary information, 'not for public release'.
- Should HiFlex Physio receive a request to release this marked information the supplier shall be notified within 24 hours and given 10 working days to obtain a court order to stop release.
- In 10 working days the party requesting the information shall be provided a copy of the court order or instructions on when to review the information.