



STANTON TERRITORIAL HEALTH AUTHORITY

Yellowknife, Northwest Territories

TITLE: Selection Based on the Ability to Meet Requirements	Revision Date: 09-July-2016	Issue Date: 09-July-2014
Document Number: QUA50200	Status: Approved	
Distribution: Laboratory Quality Manual	Page: 1 of 7	
Approved by: C. Case, Manager of Diagnostic Services	Signed by: <i>Cheryl Case</i>	

PURPOSE:

The purpose of this procedure is to outline the process to evaluate new products or services for purchase and use by the Laboratory. Equipment vendor selection is a slightly different process that will be discussed in the Equipment section of the Laboratory Quality Manual.

POLICY:

The foundation of GNWT contracting is the competitive bidding process. The requirements for this are set out in *Government Contract Regulations* that contain the legal requirements for Contracting.

Contracts valued over \$5000	Require that a formal process (in writing) be initiated either through a Request for Tenders or a Request for Proposals process.
Contracts valued up to \$5000	May be entered into directly with vendor without soliciting bids. Purchases valued less than \$5000 may only be purchased directly from approved northern businesses.

For more information:

<http://www.pws.gov.nt.ca/pdf/publications/ProcurementGuidelines09/1.3%20Obtaining%20Prices.pdf>

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ETHICS:

The following are a list of ethical standards that must be followed:

- Financial Administration Manual, Section 3301, 3.6
- Code of Conduct Respecting Conflict of Interest and Oath of Office and Secrecy for the Employees of the Government of the Northwest Territories
- Purchasing Management Association of Canada (PMAC) Professional Code of Ethics

For more information:

<http://www.pws.gov.nt.ca/pdf/publications/ProcurementGuidelines09/1.5%20Ethics.pdf>

STANDING OFFER AGREEMENTS:

Most of the reagents used by the laboratory are purchased using Standing Offer Agreements. Standing Offer Agreements or SOA's are not contracts. They are pricing agreements that the organization makes with suppliers or contractors covering anticipated requirements over a defined period of time. A new individual contract is made each time a new purchase is ordered or released under a SOA.

For more information:

<http://www.pws.gov.nt.ca/pdf/publications/ProcurementGuidelines09/1.6%20Standing%20Offer%20Agreements.pdf>

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CONTRACT DOCUMENTS:

Contract documents are to be retained by the Materials Management Department in accordance with Hospital Wide Policy R-1960 Retention of Hospital Records. The Materials Management will provide copies of these documents to the Laboratory upon request to the Forms and Contract Administrator.

The Materials Management Department will inform the Laboratory prior to the end of any relevant contract or agreement and will facilitate the extension of the current one or the competition for a new one.

For more information:

<http://www.pws.gov.nt.ca/pdf/publications/ProcurementGuidelines09/6.2%20Retention%20of%20Contract%20Documents.pdf>

BUSINESS INCENTIVE POLICY:

The Business Incentive Policy is an economic policy of the Government of the Northwest Territories designed to encourage and support the development of a healthy private sector and to ensure that Northwest Territories businesses can be competitive with their southern counterparts.

A Registry of approved NWT businesses is maintained by the Department of Industry, Tourism and Investment. It can be accessed at <http://www.iti.gov.nt.ca/iea/bip/index.htm>.

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For more information:

<http://www.pws.gov.nt.ca/pdf/publications/ProcurementGuidelines09/9.6%20Business%20Incentive%20Policy.pdf>

PROCEDURE INSTRUCTIONS:

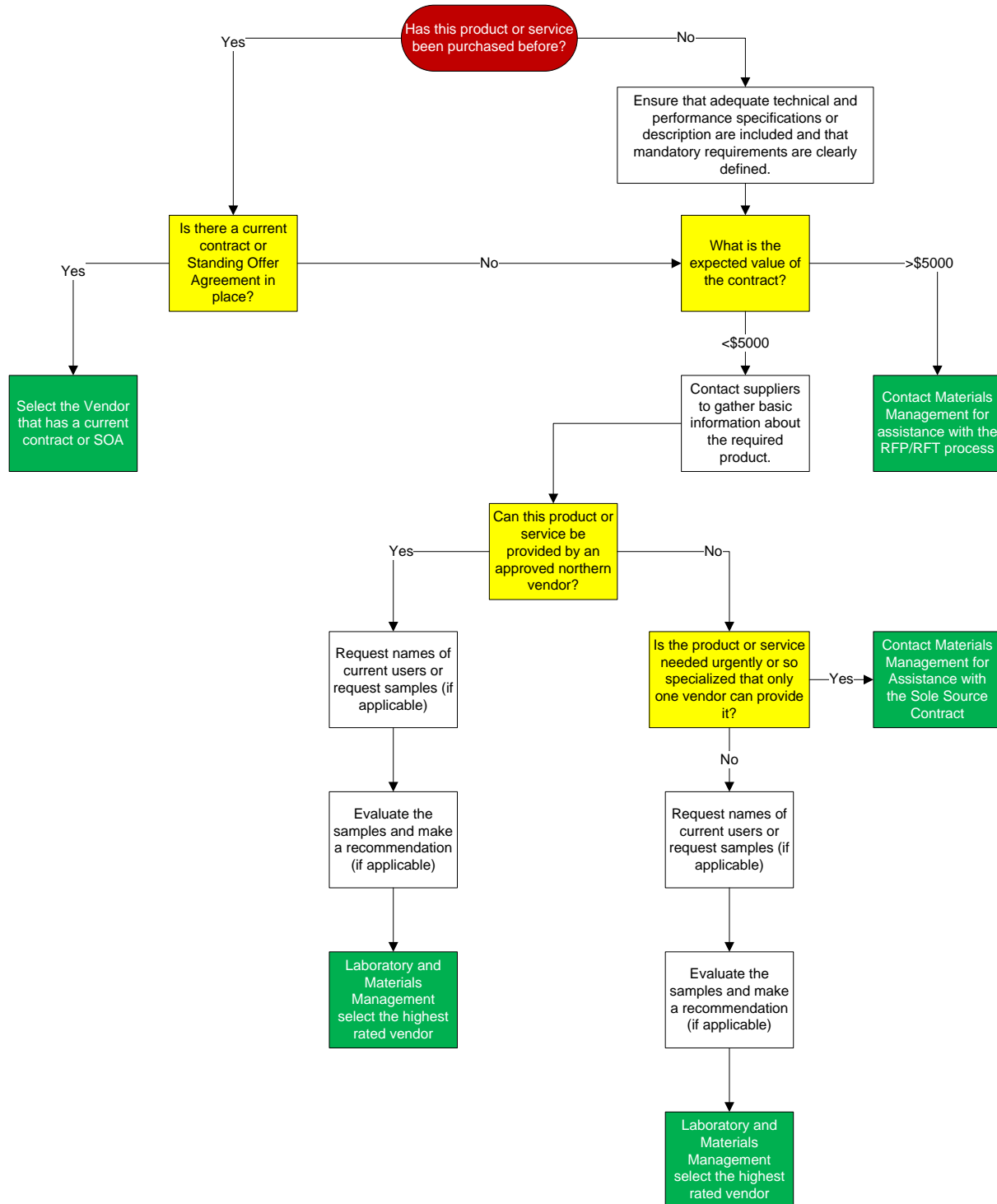
Step	Action	
Selection of Supplier, Contractor or Vendor Based on the Ability to Meet Requirements		
1	Determine if the product or service has been purchased before.	
	If:	Then:
	Yes	Proceed to Step 2
	No	Proceed to Step 3
2	Determine if there is a current contract or Standing Order Agreement (SOA) in place. Contact Materials Management to confirm. For the purposes of the Laboratory, these vendors and items are entered in ORMED. If you can find the product and associated vendor in the ORMED system, this is the appropriate vendor to select.	
	If:	Then:
	Yes	Select the vendor that has the current contract or SOA.
	No	Proceed to Step 4
3	Ensure that adequate technical and performance specifications (or clear product description) are included and that mandatory requirements are clearly defined. For guidance go to: http://www.pws.gov.nt.ca/pdf/publications/ProcurementGuidelines09/2.3%20Procurement%20Plan.pdf	
4	Determine the expected value of the contract.	
	If:	Then:
	Greater than \$5000	Contact Materials Management for assistance with the RFP/RFT process.

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	Less than \$5000	Contact suppliers to gather basic information about the required product or service. Proceed to Step 5.	
5	Determine if this product or service can be provided by an approved northern vendor. See Business Incentive Policy above.		
	If:	Then:	
	Yes	Request the names of current users (references) or request samples (if applicable).	
		Evaluate the references or samples. Record this evaluation on QUA50210 Product or Service New Vendor Evaluation Form .	
		Give evaluation forms to the Manager of Diagnostic Services. Laboratory and Materials Management select the highest rated vendor.	
No	Proceed to Step 6.		
6	Determine if the product or service is needed urgently or if the product is so specialized that only one vendor can provide it. For more information go to: http://www.pws.gov.nt.ca/pdf/publications/ProcurementGuidelines09/2.4%20Methods%20of%20Procurement.pdf		
	If:	Then:	
	Yes	Contact Materials Management for assistance with the Sole Source Contract.	
	No	Request the names of current users (references) or request samples (if applicable).	
		Evaluate the references or samples. Record this evaluation on QUA50210 Product or Service New Vendor Evaluation Form .	
Give evaluation forms to the Manager of Diagnostic Services. Laboratory and Materials Management select the highest rated vendor.			

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RELATED DOCUMENTS:

- QUA50100 Purchasing and Inventory Policy
- QUA50210 Product or Service New Vendor Evaluation Form

REFERENCES:

- Clinical and Laboratory Standards Institute. (2011). *Quality Management System: A Model for Laboratory Services; Approved Guideline* (Fourth Edition ed.). Wayne, PA, USA: Clinical and Laboratory Standards Institute.
- Government of the Northwest Territories. (n.d.). *Procurement Guidelines*. Retrieved 07 03, 2014, from Public Works and Services: <http://www.pws.gov.nt.ca/pdf/publications/ProcurementGuidelines09/0.3a%20Table%20of%20Contents.pdf>
- Quality Management Team. (2009). *Huntsville Hospital Ontario Quality Manual*. Huntsville ON: Muskoka Algonquin Healthcare.

REVISION HISTORY:

REVISION	DATE	Description of Change	REQUESTED BY
1.0	09Jul14	Initial Release	C. Russell