The Scarborough Hospital

Policy & Procedure Manual

Corporate Administration- Use of Consultants

Policy

All engagements for consulting services shall be acquired using a competitive process (Request for Quotation (RFQ) or Request for Proposal (RFP)) in accordance with The Scarborough Hospital procurement policies and procedures as outlined in the BPS Based Purchasing Procedure Manual. In exceptional circumstances a non-competitive procurement process (also known as a single-source situation) may be conducted. These situations are documented in the BPS Based Purchasing Procedure Manual.

A Purchase Requisition must be completed and sent to Purchasing, accompanied by documentation of quotations or RFP responses. Where a competitive process is not used, a Single / Sole Source Justification Form must be submitted with the Purchase Requisition Form. Approval levels for these documents are outlined in Policy Number 1.40.003 Finance – Expenditure Approval.

Consulting engagements must be supported by a hospital issued purchase order and a comprehensive contractual arrangement that defines the assignment, key deliverables, cost, payment terms, expenses to be reimbursed and other key legal terms and conditions. Contracts should be based on a fixed price for the defined services and must be signed by the appropriate contract signing authority, in accordance with Policy Number 1.40.003 Finance – Expenditure Approval.

The consultant must not commence work on the assignment until they are in receipt of the hospital Purchase Order and the applicable contract has been signed by both parties.

Follow-on assignments to extend existing contracts will only be considered under unique circumstances approved by the appropriate Vice President and President & CEO and only if the cost of the follow on work is no greater than 10% of the original contract value.

Payments to consultants must be authorized by the appropriate signing in accordance with Policy Number 1.40.003 Finance – Expenditure Approval and be based on the consultants invoice. The invoice must detail services rendered (i.e. hours worked, billing rates etc.), key deliverables and expenses. Detailed receipts of expenses should be attached to the invoice. The invoice must be submitted on the Firm’s letterhead, and reference a Purchase Order. All invoices for consulting services must be reviewed and signed by management at the
appropriate authority level to ensure completeness, accuracy and to ensure contract terms and conditions have been met. Signed invoices are sent to Accounts Payable for payment.

If the invoice does not have a Purchase Order number, Accounts Payable will return the invoice to Purchasing. Purchasing will then followed up with the authorizing Vice-President.

Continuous arrangements for professional services related to legal, audit and capital related project management should be subject to a competitive process periodically, as directed by the hospital Board of Directors.

Employment arrangements structured as consulting services contracts should be for a time limited period and must be approved by the Vice President responsible for Human Resources. Similar arrangement for senior management and medical staff positions must be approved by the President & CEO and the Board of Directors.

**Definitions**

**Consulting Services** - The Broader Public Sector Procurement Directive defines "Consultant" as a person or entity providing expert or strategic advice and related services for consideration and decision-making. Further, the Directive defines "Consulting Services" as the provision of expertise or strategic advice that is presented for consideration and decision-making.

**Non-Consulting Services** - Individuals or organizations may identify themselves as “consultants”, but provide non-consulting services. These are services that do not provide expert or strategic advice for consideration and decision-making, but rather deliver a more tangible product/service.

Whether a service in question is deemed consulting service should be determined by the nature of the service being procured and not by the designated profession being represented. It is up to the Organization to determine whether the services they require are consulting services or not.

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1 Source: Frequently Asked Questions: Broader Public Sector Procurement Directive