



APPENDIX A - BPSAA ATTESTATION

Attestation Form

Prepared in accordance with section 15 of the *Broader Public Sector Accountability Act, 2010* (BPSAA)

TO: The Ottawa Hospital Board of Governors
FROM: Dr. Jack Kitts
President & CEO
The Ottawa Hospital
DATE: May 25, 2016
RE: April 1, 2015 – March 31, 2016

On behalf of The Ottawa Hospital ("the Hospital") I attest to:

- the completion and accuracy of reports required of the Hospital pursuant to section 6 of the BPSAA on the use of consultants;
- the Hospital's compliance with the prohibition in section 4 of the BPSAA on engaging lobbyist services using public funds;
- the Hospital's compliance with any applicable expense claims directives issued under section 10 of the BPSAA by the Management Board of Cabinet;
- [to be added once ss. 15(1)(c.1) of the Act is proclaimed into force] the Hospital's compliance with any applicable perquisite directives issued under section 11.1 of the BPSAA by the Management Board of Cabinet; and
- the Hospital's compliance with any applicable procurement directives issued under section 12 of the BPSAA by the Management Board of Cabinet,

during the Applicable Period.

In making this attestation, I have exercised care and diligence that would reasonably be expected of a President & CEO in these circumstances, including making due inquiries of Hospital staff that have knowledge of these matters.

I further certify that any material exceptions to this attestation are documented in the attached Schedule A.

Dated at Ottawa, Ontario this May 25, 2016.

Dr. Jack Kitts
President & CEO
The Ottawa Hospital

I certify that this attestation has been approved by the Board of Governors of the Ottawa Hospital on June 1, 2016.

James G. McCracken
Chair of the Board
The Ottawa Hospital



SCHEDULE A to BPSAA Attestation

1. Exceptions to the completion and accuracy of reports required in section 6 of the BPSAA on the use of consultants; **"no known exceptions"**
2. Exceptions to the Hospital's compliance with the prohibition in section 4 of the BPSAA on engaging lobbyist services using public funds; **"no known exceptions"**
3. Exceptions to the Hospital's compliance with the expense claims directive issued under section 10 of the BPSAA by the Management Board of Cabinet; **"no known exceptions"**
4. Exceptions to the Hospital's compliance with the perquisites directive issued under section 11 .1 of the BPSAA by the Management Board of Cabinet; **"no known exceptions"**
5. Exceptions to the Hospital's compliance with the procurement directive issued under section 12 of the BPSAA by the Management Board of Cabinet **"Management is reporting known material exceptions - please reference the attached schedule B for exceptions to Procurement directives"**.



SCHEDULE B to BPSAA Attestation

Reporting of material exceptions in accordance with section 12 of the BPSAA (Procurement Directives)

The Hospital has been guided by the five key principles outlined in the Procurement Directive (delivery of quality patient care and other services, value for money, accountability, transparency and process standardization), and has endeavored to comply fully with the requirements of the Procurement Directive. However, there may be circumstances in which the Hospital has failed to comply with the strict letter of the Procurement Directive. I do not consider those exceptions to be material exceptions to compliance and, where material exceptions to compliance have been identified, they are listed below:

Capital Planning and Facilities Procurement Activities

In connection with the Hospital's Capital Planning and Facilities Department, there are a number of issues regarding compliance with the Procurement Directive which are referred to in the statement of claim issued by the Hospital under Superior Court of Justice Court File No. 16-67028. A copy of the statement of claim will be made available upon request to appropriate individuals. It is otherwise a matter of public record and available at the offices of the Registrar of the Ontario Superior Court of Justice in Ottawa. Full details of all these matters are not known, but continue to be investigated. In the result, it is possible that there may be other material exceptions to compliance with respect to procurement activities related to Capital Planning and Facilities for part of the reporting period which continue to be investigated. Further, management have implemented new processes and contract management protocols intended to address potential non-compliant issues in a timely manner.

Other Procurement Activities

#	Exception noted	Rationale			Action plan									
1	<p>Selected contracts were extended beyond the terms of their existing contracts on a short-term basis and should have been to an open competitive procurement process</p> <p><i>Exceptions related to Directive #3 and #18 (Competitive Procurements and Term of Agreement Modifications)</i></p>	<p>These exceptions occurred as a result of the following:</p> <ul style="list-style-type: none"> a) Contract harmonization (i.e. aligning expiry dates in order to achieve better value) b) Extension of time for the Hospital to review alternative solutions c) Extension of time to gather all the necessary clinical input and conduct an effective procurement process while ensuring continuity of service when required <p>These were approved business decisions but are considered exceptions and are reported as such.</p> <table border="1" data-bbox="527 1242 1497 1404"> <thead> <tr> <th data-bbox="537 1247 953 1344">Vendor Name</th> <th data-bbox="963 1247 1152 1344">Extension Price</th> <th data-bbox="1163 1247 1486 1344">Current Status <i>(Comments as per Procurement)</i></th> </tr> </thead> <tbody> <tr> <td colspan="3" data-bbox="537 1352 1486 1385">Contract Harmonization (aligning expiry dates in order to achieve better value)</td> </tr> <tr> <td data-bbox="537 1385 953 1404">All Signs</td> <td data-bbox="963 1385 1152 1404">15,000</td> <td data-bbox="1163 1385 1486 1404">RFQ in process</td> </tr> </tbody> </table>			Vendor Name	Extension Price	Current Status <i>(Comments as per Procurement)</i>	Contract Harmonization (aligning expiry dates in order to achieve better value)			All Signs	15,000	RFQ in process	<p>The Hospital will continue to execute a sourcing strategy that maximizes available resources to complete the competitive procurement requirements.</p> <p>New system planning tools have been implemented to facilitate improvements in proactive contract management capabilities.</p> <p>Additional resources were hired to specifically address workload and enable a more proactive contracting strategy to further mitigate the risk of recurring extensions.</p>
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<p>2 Procurements with a value between \$10,000 and \$100,000 may not have been subject to an invitational competitive procurement process</p> <p><i>Exceptions related to Directive #3 (Competitive Procurements)</i></p>	<p>Management is aware that there may be procurements for which a minimum of three quotes were not obtained and there are some instances in which it is difficult to verify as the quotes may have been obtained verbally.</p>	<p>Effective April 1, 2016 Hospital financial policies have been revised to explicitly address the need to have documented quotes and have implemented process changes to include verification that multiple quotes are documented prior to issuing a purchase order. Training and education for Hospital management has also been enhanced to provide clarification with respect to BPSPD requirements.</p>																														
<p>3 Non-competitive procurements that should have been subject to an open competitive process as the goods or services procured over a three-year period exceeded \$100,000</p> <p><i>Exceptions related to Directive #3 (Competitive Procurements)</i></p>	<table border="1"> <thead> <tr> <th>Vendor</th> <th>Value in 2015-16</th> <th>Cumulative 3-year value</th> </tr> </thead> <tbody> <tr> <td>American Medical Systems Canada Inc.</td> <td>84,000</td> <td>209,325</td> </tr> <tr> <td>Microvention</td> <td>344,702</td> <td>660,056</td> </tr> <tr> <td>Tigerdirect.ca.inc.</td> <td>38,754</td> <td>131,471</td> </tr> <tr> <td>Yocan Medical Systems Inc.</td> <td>287,424</td> <td>432,022</td> </tr> <tr> <td>Microdental Laboratory Ottawa</td> <td>89,793</td> <td>281,498</td> </tr> </tbody> </table> <p>Purchase order(s) were established and approved for the following vendors within this fiscal period. While individually each PO was < \$100K the overall cumulative value of goods or services obtained is indicative that the Hospital inadvertently may not have issued a competitive procurement.</p>	Vendor	Value in 2015-16	Cumulative 3-year value	American Medical Systems Canada Inc.	84,000	209,325	Microvention	344,702	660,056	Tigerdirect.ca.inc.	38,754	131,471	Yocan Medical Systems Inc.	287,424	432,022	Microdental Laboratory Ottawa	89,793	281,498	<p>A review is underway to determine if future goods or services will be procured, in which case an open competitive procurement process will be undertaken.</p> <p>Effective April 1, 2016 Hospital financial policies have been revised to explicitly state that procurements must be assessed on an overall cumulative value with no sub-dividing of procurements. Training and education for Hospital management has also been</p>												
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			enhanced to provide clarification with respect to BPSPD requirements.
4	<p>Procurements with a value between \$10,000 and \$100,000 may not have had a signed written contract (or PO) in place prior to the receiving the goods or services.</p> <p><i>Exceptions related to Directive #15 and #16 (Executing and Establishing the Contract) and Directive #2 (approval authority prior to procurement)</i></p>	<p>The Hospital has in some instances received services and goods before a purchase order was issued and the situation was not a result of an immediate operational need that meets the acceptable exception criteria under BPSPD.</p>	<p>The Hospital has implemented a process to identify, assess, and monitor these types of exceptions in a timely manner and exceptions are dealt with on a case by case basis.</p>
5	<p>Procurements were not approved in accordance with the established approval authority schedule</p> <p><i>Exceptions related to Directive #2 (approval authority)</i></p>	<p>The Hospital has an approved signing authority policy which establishes the appropriate signing authority based on the value of the procurement. A review of transactions > \$100K indicated that not all transactions were initially not approved by the appropriate authority level, although ultimately all transactions were subsequently properly approved.</p>	<p>Effective April 1, 2016 Hospital financial policies have been revised to expand and clarify signing authority roles. Automated controls within the system have been reviewed and updated accordingly. Training and education for Hospital management has also been enhanced to provide clarification with respect to BPSPD requirements.</p>

The Hospital continues to implement new processes and contract management protocols to improve the operating effectiveness of its internal control framework. Improvements are focused on strengthening procurement processes which include revisions to policies to clarify and reinforce mandated requirements of the BPSPD like segregation of duties, approval authority, evaluation processes, and contract extensions.