

# Procurement of Goods and Services Policy

**Category:** Finance

**Approval:** Board of Governors

**Responsibility:** Manager, Purchasing Services

**Date:** June 1, 2022 Revised

## Definitions:

**Accessible Procurement** - Goods, services and facilities procured by the University should be accessible and usable by everyone, including persons with disabilities. Accessible procurement criteria must be incorporated in the University's procurement practices, regardless of value, as is mandated by Ontario's AODA legislative regulations (IASR s.5). It is the responsibility of the University to apply appropriate accessibility design, criteria and features when acquiring goods, services or facilities except where it is not practical to do so; if not practical, the University must, upon request, provide an explanation.

**Advance Contract Award Notice (ACAN)** - A public notice indicating to the supplier community that an agency intends to award a good, service or construction contract to a pre-identified supplier believed to be the only one capable of performing the work, thereby allowing other suppliers to signal their interest in bidding by submitting a statement of capabilities. If no other supplier submits a statement of capabilities that meets the requirements set out in the ACAN, the contracting officer may then proceed with awarding the contract to the pre-identified supplier. It is important to note that an ACAN is not a competitive process; however, competitive approval authorities may be used if there is no successful challenge.

**Accountability** - The obligation of an employee, agent or other person to answer for or be accountable for, work, action or failure to act following delegated authority.

**Bonfire** - An on-line portal which the University uses to post advertisements electronically for bid opportunities, receive submissions, complete evaluations, advise award notifications and manage vendor contracts.

**Broader Public Sector Procurement Directive (BPS)** - Is a set of procurement rules in the purchase of goods or services using public funds by broader public sector organizations that provides for accountability measures, greater transparency and consistent management of procurement processes.

**Canadian Free Trade Agreement (CFTA)** - commits federal, provincial and territorial governments to a set of rules that achieve competitive economic union for all Canadians. CFTA enhances flow of goods and services, eliminates technical barriers to trade, expands procurement coverage and promotes regulatory cooperation within Canada. [CFTA](#)

**Canada-European Union Comprehensive Economic and Trade Agreement (CETA)** - a progressive free trade agreement which covers virtually all sectors and aspects of Canada-EU trade in order to eliminate and reduce barriers. [CETA](#)

**Capital Asset** – procured item valued at a single amount greater than \$5,000 (before taxes) and with a life expectancy of more than one year.

**Consulting** - The provision of expertise or strategic advice (not services) which is presented for consideration and decision making. *Helpful tip: Consultants are considered “thinkers” and are strategic versus service providers who are “doers” and tactical in nature tending to have a hands-on role, actively creating, executing or handling the work. Examples of consulting include engagements to assess operational performance, policy analysis, on-going expertise, etc.*

**Freedom of Information and the Protection of Privacy Act (Ontario) FIPPA** - is an Act of the Legislative Assembly of Ontario. FIPPA legislates access to information held by public institutions in Ontario subject to specific requirements to safeguard the personal information of individuals.

**Invitational Competitive Procurement** – any form of requesting multiple qualified suppliers to submit a written proposal or quotation in response to defined requirements.

**MERX** - An electronic advertising bid service [MERX](#)

**Pre-Qualification** - A process where bidders must satisfy the University that they have the minimum qualifications to successfully provide a service or supplies.

**Procurement Value** – the estimated total financial commitment in Canadian funds resulting from the procurement, taking into account optional extensions and excluding applicable sales tax.

**Purchasing Officer** - A staff member in Purchasing Services that supports the University community in procurement of goods and services in accordance with BPS directives, legislation and policy.

**Purchase Order** – a written official offer made by a Purchasing Officer to a vendor that formally sets out terms and conditions of proposed transaction. There are certain goods and services for which a Purchase Order may not be acceptable or appropriate and would be procured through an alternative means such as , Purchasing Card, cheque requisition or expense reports. These activities are subject to appropriate signing approvals. A Purchase order is generally used for goods and services purchased at the time and paid for in a lump sum. Blanket Purchase Orders are defined as an order of goods and/or services that contains multiple delivery dates and/or payments scheduled over a fiscal year. A Purchase Order is generated by Purchasing Services from an approved purchase requisition.

**Purchase Requisition** - A formal request used by the Account Holder to notify Purchasing Services of the need to procure goods or services.

**Quote** - An offer made in writing from a supplier to sell goods or services to the University.

**Request for Quote (RFQ)** - A written request for price and delivery of a specific requirement.

**Request for Proposal (RFP)** - A written request for price and delivery where the exact nature of the requirement is not defined. The supplier is asked to provide a recommendation which satisfies the requirement.

**Request for Information (RFI)** – A written request used to gather general supplier or product information for a contemplated procurement. Information collected is used to develop a subsequent RFP.

**Request for Expressions of Interest (RFEI)** – A written request intended to gather information on supplier capabilities. Not used to eliminate bidders from a future bid opportunity. NOTE: The Broader Public Sector Procurement Directive, 2011 prohibits an RFI or RFEI from being used to pre-qualify a potential supplier or influence their chances of being successful on any subsequent opportunity.

**Request for Prequalification (RFPO)** – A two-stage approach in which proponents must successfully meet the qualification criteria to develop a list of bidders to be included in subsequent solicitation processes.

**Request for Tender (RFT)** – A structured invitation to suppliers to respond to a defined need for goods and/or services, typically used for construction.

**RFx** - A common catch-all term used when referencing a formal procurement strategic sourcing document that is a “request for” something (i.e. Request for Proposal (RFP), Request for Information (RFI), Request for Quote (RFQ), etc.).

**Services** - Performance of specific duties for a fee-for-service arrangement for a limited period. No transfer of possession or ownership takes place when services are sold. Services come into existence at the time they are bought and consumed. For the purpose of this policy, consultancy is not considered a service. (See definition of “Consulting”).

**Trade Agreements** - As of July 1/17, the Agreement on Internal Trade was updated and renamed Canadian Free Trade Agreement (CFTA) and The Comprehensive Economic Trade Agreement (CETA) with the European Union, effective Sept 21/17. These trade agreements govern how we do business.

**Vendor of Record (VOR)** – a vendor with whom the University has a formalized relationship for a set of defined products or services, but one that is not necessarily exclusive. A VOR is established through an open Request for Prequalification solicitation defining purchasing thresholds for the products or services.

#### Purpose/Reason for Policy:

The objective of a procurement policy is to ensure ethical, efficient, and accountable sourcing and contracting for goods and services.

#### Scope of this Policy:

This policy applies to the acquisition of goods and services including construction, consulting and information technology, whether paid from operating, ancillary, endowment, capital, trust or research funds.

#### Policy Statement:

It is the University’s policy that all goods and services are procured in a fair, open, transparent and economically effective manner in compliance with the Broader Public Sector procurement directive and other relevant legislation.

The University’s Procurement Policy is based on the principles of:

- Accountability
- Transparency, fairness, equal supplier access to business opportunities
- Effective use of public funds and value for money

- Ensuring right product is available at the right time and place
- Process standardization

Related legislation and trade agreements governing procurement at Trent University:

- Ontario-Quebec Procurement Agreement
- Freedom of Information and Protection of Privacy Act (FIPPA)
- BPS Accountability Act 2010
- BPS Procurement Directive 2011
- Canadian Free Trade Agreement (CFTA)
- Comprehensive Economic Trade Agreement (CETA) with the European Union
- The Integrated Accessibility Standards Regulation

### Responsibilities/Segregation of Duties:

Segregation of duties and delegation of authority are essential controls within the purchasing process. Together they ensure the integrity of the process and reduce the exposure to inappropriate and unlawful expenditures.

The acquisition of goods and services is the primary responsibility of Purchasing Services except as specifically delegated by the Board of Governors or the President (see Appendix A).

At least three of the five functional procurement roles: Requisition, Budgeting, Commitment, Receipt and Payment must lie with different individuals.

### **Purchasing Services**

The role of Purchasing Services is to identify sources for required goods and services, to select and to contract the acquisition as economically as possible within accepted standards of quality, to manage supplier relationships on behalf of the University and to ensure that purchases are made in accordance with this policy. All purchasing transactions will be done in a fair, ethical and transparent manner, providing suppliers with equal access to University business. Purchasing will work with account holder when procurement requirements are identified.

Purchasing Services administers all RFX documents for goods and services, and commits the University to the purchase, unless this responsibility is specifically delegated to another office, per Appendix A. All formal procurement documentation is maintained in Purchasing Services or in the delegated departments for seven years for audit purposes.

### **Account Holder (Departmental or Research)**

The Account Holder is accountable to the University and/or the granting agency for the appropriate use of funds.

The Account Holder is responsible for identifying the requirement(s), developing the specification(s), authorizing the use of an account containing sufficient funds, preparing the requisition, and working with Purchasing staff to evaluate the bids received.

The Account Holder is responsible to confirm that the required goods or services were physically received, correct and complete.

**Research Finance (Financial Services)**

For all Research Funds Accounts, prior to purchase, Research Finance is responsible for determining; eligibility of expenditure under funding agreements, contracts and applicable policies; that sufficient funds are available; and that appropriate documentation is in place.

**Financial Services Accountant/Advisors (Financial Services)**

For all Restricted Funds Accounts other than Research Accounts (for example, trust and special purpose funds), prior to purchase, Financial Services Accountant/Advisors are responsible for determining; eligibility of expenditure under funding agreements, contracts and applicable policies; that sufficient funds are available; and that appropriate documentation is in place.

**Accounts Payable (Financial Services)**

Prior to payment, Accounts Payable is responsible to confirm that the appropriate approvals are in place, to apply correct tax codes and to authorize the release of payment to the supplier.

**Quotation Requirements:**

Competitive procurement thresholds for goods, non-consulting services and construction are as follows:

Procurement Value	Requirement
\$0 - \$25,000	One (1) written quotation
\$25,001 - \$99,999	Three (3) invitational written quotations
\$100,000 and over	Open competitive RFX process to be advertised using an electronic bid service for appropriate number of calendar days as defined per applicable trade agreement

Competitive procurement thresholds for consulting services as follows:

Procurement Value	Requirement
\$0 – \$99,999	Three (3) invitational written quotations from qualified consultants
\$100,000 and over	Open competition RFX process advertised using an electronic bid service for appropriate number of calendar days as defined per applicable trade agreement

Multiple quotations are not required for purchases made for goods or services when under university contract or established Vendor of Record (VOR) arrangements.

Exemptions from the above requirements must be in accordance with exceptions listed in Appendix B. For consulting contracts, any exemption must be documented and approved by the President (up to \$250,000) or by the Board of Governors (over \$250,000).

See Appendix B for a list of exceptions to the requirements for quotations.

**Evaluation:**

Non-discriminatory criteria for the bid must be developed, reviewed and approved prior to the commencement of the competitive procurement process. RFX documents must clearly state the mandatory and other criteria that will be used to evaluate submissions, including the weight of each criterion. Evaluators’ scores and comments must be documented and may be required for debriefing, protest or as requested by bidders under FIPPA.

Evaluation documentation will be retained in Purchasing Services for a period of seven years.

See detailed [Procurement Bid Evaluation Procedure](#).

**Authorizations Required:**

To initiate an order or award a contract to an external supplier of goods or services, the account holder prepares a purchase requisition, which requires a minimum of two authorizing signatures:

The first signature is that of the account holder or delegate and confirms that:

- a) the expenditure is necessary;
- b) the budget, approved in the annual budget process or under a specified funding agreement, provides for the purchase of the item; and
- c) the account contains sufficient funds.

The account holder is authorized to requisition goods and/or services, within their spending authority, up to the limit of the approved budget. The second approval is provided by a Purchasing Officer of the University and indicates that due process has been followed and additional authorizations have been obtained in accordance with this Policy.

Prior to award, the following authorizations are required:

<b>Value of Purchase</b>	<b>Signatures Required</b>
Up to \$50,000	Account Holder AND Purchasing Officer
\$50,001 - \$100,000	Account Holder AND Manager, Purchasing Services
Construction contracts up to \$100,000	Manager, Purchasing Services AND Associate Vice-President, Facilities Management
\$100,001- \$250,000 including construction contracts	Account Holder AND Manager, Purchasing Services AND Vice-President Finance and Administration AND (if deemed appropriate by VP, Finance and Administration)

	Vice-President Academic (for purchases charged to academic budgets)
\$250,001- \$500,000 including construction contracts	Account Holder AND Manager, Purchasing Services AND Vice-President Finance and Administration AND (if deemed appropriate by VP, Finance and Administration) Vice-President Academic (for purchases charged to academic budgets) AND President
Over \$500,000	Account Holder AND Manager, Purchasing Services AND Vice President (Finance and Administration) AND(if deemed appropriate by VP, Finance and Administration), Vice President (Academic) AND approved by the Board of Governors. AND, if approved, signed by the President.

**Capital Project Contracts** - Once final Board approval has been granted for a particular capital project, the Board may, at its discretion, give the President authority to approve integral contracts with a value of up to \$1 million, as long as the expenditure fits within the approved total construction budget. If such a contract will have the effect of causing a capital project to exceed its overall approved budget limit, Board approval of the contract will be required. Regardless of this delegation of authority, the President may still choose to seek Board approval of an individual contract.

**Contract:**

The agreement between the University and the successful supplier must be formally defined in a signed written contract before the provision of supplying goods or services commences. Ideally the contract will use the form of agreement that was released with the RFx documentation.

All contracts must include appropriate cancellation or termination clauses. The term of the agreement and any options to extend the agreement must be set out in the original RFx documents.

**Bidder Notification, Debriefing and Right of Protest:**

For procurements valued at \$100,000 and over, the result must be posted in the same manner as the RFx was advertised.

For procurements over \$100,000, the University is obliged to inform unsuccessful bidders about their entitlement to a debriefing. Bidders will be allowed 60 days to request a debriefing. Refer to [Proponent Debriefing Procedure](#). Bidders also have the right to protest a tender decision. Refer to [Procurement Bid Protest Procedure](#).

### Purchasing for Personal Use:

The facilities of the University shall not be used to purchase or otherwise acquire goods, services, or materials for the personal use, benefit, or enjoyment of any employee except where an employee purchase plan has been approved by the Vice-President, Finance and Administration.

### Collaborative Purchasing:

The University may choose to participate in a collaborative purchasing project with other local organizations, cooperative purchasing organizations and provincial organizations. The tendering requirements of the collaborative organization may not be identical to the University requirements but will be accepted if deemed by the Purchasing Officer to be consistent with the intent of University purchasing policies and applicable trade agreements.

### Contact Officer:

Manager, Purchasing Services

### Date for Next Review:

June 01, 2027

### Related Policies, Procedures & Guidelines

- a) Supply Chain Code of Ethics Policy
- b) Travel and Business Expenses Policy
- c) Refreshments and Hospitality Policy
- d) Environmentally Sustainable Procurement Policy
- e) Fair Trade Purchasing Policy for Apparel
- f) Proponent Debriefing Procedure
- g) Procurement Bid Evaluation Procedure
- h) Bid Irregularities Procedure
- i) Procurement Bid Protest Procedure
- j) Corporate Purchase Card Procedure

### Policies Superseded by This Policy:

- a) PUR 001, Procurement of Goods and Services approved 2018, 2011, initially December 2005

### **Appendix A - Review and Authorization Requirements for Specific Contracts**

Process for reviewing and approval responsibility specifically delegated to another office outside of Purchasing Services:

#### **Employee Benefits**

The choice of an employee benefits provider as managed by the Human Resources Department will be reviewed, preferably every three years but must be reviewed within five years. The results of the review will be reported to Finance & Property Committee of the Board.

#### **Financial Services**

For the provision of financial services respecting the management of financial assets and liabilities (banking services), including ancillary advisory and information services, whether or not delivered by a



financial institution, the decision to continue with the current service provider will be reviewed, preferably every three years, but must be reviewed within five years. The Vice President Administration may waive the need for obtaining multiple competitive quotes.

### **Investment Services**

For financial analysts or the management of investments by organizations that have such functions as a primary purpose, the Vice-President, Finance and Administration, in consultation with the Associate Vice-President, Finance and the Audit and Investment Committee of the Board may waive the need for competitive quotes.

### **Library Collection Acquisitions**

The University Librarian is responsible for approving the acquisition of texts, reference books, library books, serials and periodicals in print or non-print format.

### **Professional Services**

For health services provided by licensed medical doctors, dentists, nurses, pharmacists and veterinarians, and legal services provided by lawyers and notaries, if the nature of the service required is ongoing, the decision to continue with the current source will be reviewed, preferably every three years, but must be reviewed within five years. The results of the review will be reported to the appropriate Committee of the Board.

## **Appendix B - Non-Competitive Procurement Protocol**

### **1. Non-Competitive Procurement**

Non-competitive procurement means the acquisition of deliverables through a process or method that does not comply with the University's competitive bidding requirements.

### **2. Exceptions to Competitive Bidding Requirements**

A non-competitive procurement must not be used for the purpose of avoiding competition among suppliers or in a manner that discriminates against or in favour of particular suppliers, and will only be permitted in accordance with applicable legislation and trade agreements.

The possible exceptions to the competitive bidding requirements are set out in the University's **Non-Competitive Procurement Approval Form** (the "Approval Form"). A non-competitive procurement may only be permitted if one or more of the reasons in the Approval Form apply to the procurement.

### **3. Required Documentation**

To obtain authority for a non-competitive procurement, the requisitioning department or account holder must complete the **Approval Form** and attach all supporting documentation.

The completed **Approval Form** must also be accompanied by the detailed requirements, specifications and pricing structure for the required deliverables.

### **4. Approval of a Non-Competitive Procurement**

Prior to acquiring any goods or services or engaging in any contract negotiations with a Supplier, the completed **Approval Form** must be approved and signed in accordance with the authorization levels set out below:

<b>Goods, Services and Construction</b>	
Up to \$50,000	Manager, Purchasing Services
Up to \$100,000	Vice-President, Finance and Administration
Construction up to \$100,000	Manager, Purchasing Services and AVP, Facilities Maintenance
Up to \$250,000	President
Over \$250,000	Board of Governors
<b>Consulting</b>	
Up to \$250,000	President
Over \$250,000	Board of Governors

Approval will not be given if the **Approval Form** is incomplete or does not include sufficient supporting evidence and all required documentation.

The requisitioning department or account holder must forward the completed **Approval Form** and all accompanying documentation to the Manager of Purchasing Services.

#### **5. Non-Competitive Procurement Recordkeeping**

The approved **Non-Competitive Procurement Approval Form** and all related documentation will be kept on file in the Purchasing Services office and must be maintained for a minimum of seven (7) years from the contract award date, or such longer period as may be required under the University's document management policies.

#### **6. Contracts for Non-Competitive Procurements**

When a non-competitive procurement is authorized, the requisitioning department or account holder, in conjunction with Purchasing Services, is responsible for negotiating and finalizing the contract for the deliverables.

#### **7. Notice of Contract Award**

For procurements valued at \$100,000 and over, Purchasing Services must publish the notice of award on the University's website or another website designated for this purpose. The notice must be published within 72 days of the contract award and must include at least the following information:

- (a) a description of the goods or services procured;
- (b) the name and address of the procuring entity;
- (c) the name and address of the supplier;
- (d) the date of award; and
- (e) a description of the circumstances justifying the use of a Non-Competitive Procurement.