



Procurement

Institutional Manual

Approving Authority: President (Vice Chancellor)

Established: December 1, 2011

Date of Last Review/Revision: November 20, 2017 replaces September 4, 2015

Office of Accountability: Vice-President, Administration

Administrative Responsibility: Finance and Accounting

Policy Statement

St. Jerome's University is committed to procuring needed goods and/or services in such a manner to obtain maximum value for each dollar disbursed, subject to the terms and conditions set by grantors and government agencies. The University is committed to a fair and open competitive bid policy that is ethical, efficient, transparent, and adheres to the Ontario Broader Public Sector (BPS) Supply Chain Code of Ethics. All activities will be open, accountable, fair, and transparent, and conducted with a view to obtaining the best value. St. Jerome's University will incorporate accessibility criteria and features when procuring or acquiring goods, services or facilities, including self-serve kiosks. If it is not possible and practical to do so, we will provide an explanation upon request.

Participants involved in procurement activities will act with integrity, professionalism, and respect in all dealings, with all individuals and with the environment. Confidential information will be safeguarded, and participants will not engage in any activity that may appear to be a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products.

Scope

This Policy directs all procurement processes for all goods and/or services¹ from any funding source including operating, research (e.g., SSHRC, NSERC), ancillary, restricted, or trust accounts. In cases where funds provided by external sponsors require more restrictive terms and conditions, the more restrictive terms and conditions apply. In cases where external sponsors' terms and conditions are less restrictive, this Policy will apply.

Modified processes that adhere to the BPS principles and Code of Ethics are permitted under the following circumstances:

- when the material being procured is of a confidential or privileged nature;
- when the particular good and/or service being sought is available from a limited number (e.g., one or two) of suppliers;
- when a systems contract exists (established agreement to purchase goods and/or services from a specific vendor at a cost savings); and

¹ Services can be considered consulting or fee-for-service. In general, consulting is the providing of expertise or strategic advice for the purpose of consideration and decision-making. Fee-for-service providers include: reviewers, speakers, facilitators, trainers, design, print and graphic agencies, writers, editors. Determining whether a service is consulting or fee-for-service is sometimes difficult. Individuals must consult with the Vice-President, Administration as consulting services have additional procurement requirements.

- when a cooperative purchasing group is in place (better buying power through a group tender process).

In the latter two circumstances, the procedures of the relevant systems contract or cooperative purchasing group apply.

Requirements

The Code of Ethics for procurement, as outlined in the BPS directives, commits the University to accountability, transparency, value for money, quality service for delivery, and process standardization. The University must consider these principles when entering into any procurement process.

All transactions relating to the procurement of goods and/or services for which the estimated total cost exceeds **\$5,000** must be secured through the competitive procurement process (see below) and must be executed by purchase order or written contract.

There are three types of procurement processes:

1. **Invitational Competitive Procurement** which involves inviting a minimum of three qualified suppliers to submit written proposals; may be used where the estimated value of the procurement of goods and/or services is **less than \$100,000**. A Request for Proposal (RFP) may be issued to invite suppliers to submit written proposals.
2. **Open Competitive Procurement** which involves posting Requests for Proposals (RFPs) to an electronic tendering system available to all Canadian suppliers; must be used for goods and/or services valued at **\$100,000 or more**.
3. **Non Competitive Procurement**, used in exceptional circumstances, which involves the procurement of goods and/or services without competition; non competitive procurement is allowed in three circumstances:
 - where goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open tendering process could reasonably be expected to compromise confidentiality;
 - in cases where the goods and/or services to be procured is/are an extension of work performed earlier and where there is demonstrated value to the University in light of the Policy Statement; and
 - in emergency situations. A situation is considered an emergency when there is an immediate, unplanned need that results from an unforeseen event that could not have been anticipated (e.g., flood, vital equipment breakdown).

Approval to enter into any non-competitive procurement process must be reviewed by the Vice-President, Administration and approved in writing by the President prior to commencement.

**Appendix A
Outline of General Procurement Components**

In the event of procuring goods and/or services that require a modified process, the department must consult with the Vice-President, Administration prior to commencement.

Market Prices

Those embarking on a procurement process are required to be familiar with the market and prices of the goods and/or services in question. Where results of informal supplier or product research are insufficient, formal processes such as a Request for Information (RFI) or Request for Expression of Interest (RFEI) may be used, taking into consideration the time and effort required to conduct them. A response to an RFI or RFEI must not be used to pre-qualify a potential supplier and must not influence the chances of participating suppliers becoming successful proponents in any subsequent opportunity.

Value of Goods and/or Services

Estimated total cost is the approximate value to acquire, ship/transport and receive the goods. When determining the value of procurement for approval purposes, quoted price is “per transaction” (e.g., no splitting orders to circumvent approval authorities or thresholds), and does not include applicable taxes (taxes should be incorporated into the budgeting process).

Supplier Pre-Qualification

A Request for Supplier Qualification (RFSQ) may be used to gather information about supplier capabilities and qualifications in order to pre-qualify suppliers for an immediate product or service need, or to identify qualified candidates in advance of expected future competitions. Terms and conditions of the RFSQ must contain language that disclaims any obligation on the University to call on any supplier to provide goods and/or services as a result of pre-qualification.

Thresholds and Authorized Approval Structure

The below chart indicates the process requirements for the below thresholds.

Thresholds	Procurement Process	Quotations (minimum)	Formal RFP*	Purchase Order	Written Contract
\$0 to \$5,000	N/A	N/A	N/A	No	No
\$5,001 to \$10,000	Open or Invitational	2 Written/Verbal**	No	Yes	If Necessary
\$10,001 to \$25,000	Open or Invitational	3 Written	No	Yes	If Necessary
\$25,001 to \$100,000	Open or Invitational	3 Written	Yes	Yes	Yes
\$100,001 +	Open	3 Written	Yes	Yes	Yes

* An RFP, or Request for Proposal, is an invitation for suppliers to submit a proposal on a specific good and/or service.

**Allowing verbal quotations is to provide flexibility (e.g., a repeat purchase of a standard item); supporting notes must be attached to the Purchase Order Request Form (PORF) to demonstrate due diligence.

In the event the estimated value is higher than anticipated and the total value moves into the next threshold, the requirements of the relevant threshold apply.

For goods and/or services at or exceeding \$100,000, tendering documents (e.g., RFPs) must be reviewed by the Vice-President, Administration and approved in writing by the President.

Contracts

A contract is any agreement/commitment made by (or on behalf of) or to the University. Contracts must be in writing and are to be reviewed and approved by the officials who have the authority to do so.

St. Jerome’s University is the contracting entity. All contracts must be signed in accordance with the

University's signing procedures (SJU Board of Governors Resolution: Persons Authorized to Conduct Banking Business) which will be made available by contacting the Office of the President.

Employees not authorized by virtue of their role must not make any commitment that could be construed as an oral contract on behalf of the University

Additionally, in developing contracts for services, the University must:

- establish clear terms of reference for the assignment, including objectives, background, scope, constraints, staff responsibilities, tangible deliverables, timing, progress reporting, approval requirements, and knowledge transfer requirements;
- establish expense claim and reimbursement rules; and
- maintain appropriate records (for reporting and auditing purposes, all procurement documentation, as well as any other pertinent information, must be retained in a recoverable form for a period of seven years).

Executing the Contract

For goods and/or services at or exceeding \$25,000, agreements between the University and the successful supplier must be formally defined in a signed written contract before the provision of goods and/or services commences. Where an immediate need exists for goods and/or services, and the University and the supplier are unable to finalize the contract as described above, an interim purchase order may be used. The justification of such decision must be documented and approved in writing by the President.

Retention of Contracts

Original signed contracts are to be retained by the office of the Vice-President, Administration.

Management of Procured Goods and/or Services

Procurements and any resulting contracts must be managed responsibly and effectively. Payments must be made in accordance with the provisions of the contract (e.g., reimburse only for expenses explicitly provided for), invoices must contain detailed information sufficient to warrant payment, and any overpayments must be recovered in a timely manner. Tasks, duties, and responsibilities must be properly documented and supplier performance must be managed, documented and any performance issues addressed in a timely fashion.

Responsibilities

The employee/department conducting a procurement process has an obligation to:

- verify sufficient resources are available;
- gather all necessary support documentation; and
- submit accurate and complete documentation as identified within this policy.

All procurement and supporting documentation must be maintained by the department conducting the procurement process. All materials are subject to external audit.

All forms attached to the policy and filled out as a result of the tendering process will be maintained by the Finance and Accounting department.

Appendix B Competitive Procurement (Invitational and Open) Process

Procurement Document Component Requirements

For goods and/or services at or exceeding \$100,000 the following information must be included in competitive procurement documents such as Request for Proposals (RFP): timeline, bid receipt, form and term of agreement, evaluation criteria and methodology, and, where applicable, bid dispute resolution.

Timeline

Suppliers must be provided with a minimum response time of 15 calendar days for procurement of goods and/or services valued at \$100,000 or more. When the procurement involves goods and/or services of high complexity, risk or dollar value, a minimum response time of 30 calendar days should be considered.

Bid Receipt

Bid submission date and closing time must be clearly stated in competitive procurement documents. The University will set the closing date of a competitive procurement process on a normal working day (Monday to Friday, excluding provincial and national holidays). Submissions that are delivered after the closing time must be returned unopened.

Form and Term of Agreement

The term of the agreement and any options to extend the agreement must be set out in the competitive procurement documents. Modifications to the term of agreement at the contract execution stage are not permitted as doing so would be seen as entering into a non-competitive procurement process.

Evaluation Criteria and Methodology

Evaluation criteria must be developed, reviewed and approved prior to commencement of the competitive procurement process. Documents must clearly outline all criteria, indicating those that are mandatory, those that are rated, and the weight of each criterion. St. Jerome's University will incorporate accessibility criteria and features when procuring or acquiring goods, services or facilities, including self-serve kiosks. If it is not possible and practical to do so, we will provide an explanation upon request. Competitive procurement documents must fully disclose the evaluation methodology and process to be used in assessing submissions, including the method of resolving tie scores. Maximum justifiable weighting must be allocated to the price/cost component of the evaluation criteria.

Mandatory criteria (e.g., technical standards) should be kept to a minimum to ensure that no bid is unnecessarily disqualified. Suppliers may be requested to provide alternative strategies or solutions as a part of their submissions. If they are, criteria to evaluate any alternative strategies or solutions must be included. Competitive procurement documents must state that submissions that do not meet the mandatory criteria will be disqualified.

Evaluation criteria may only be altered by means of an addendum, and alternative strategies or solutions must not be considered unless they are explicitly requested.

Bid Dispute Resolution

Where applicable, competitive procurement documents must outline bid dispute resolution procedures to ensure that any dispute is handled in an ethical, fair, reasonable, and timely fashion. Bid dispute resolution procedures must comply with bid protest or dispute resolution procedures set out in the applicable trade agreements.

Evaluating Bids

Competitive procurement processes require an evaluation (e.g., Proposal Review Committee) responsible for reviewing and rating the submitted compliant bids. Evaluation team members must be made aware of

the restrictions related to utilization and distribution of confidential and commercially sensitive information collected through the competitive procurement process and refrain from engaging in activities that may create or appear to create a conflict of interest. Evaluation team members must sign a conflict-of-interest declaration and non-disclosure of confidential information agreement.

In the case of formal documents (e.g., RFPs), the evaluation team member must complete an evaluation matrix, rating each of the submissions. Records of evaluation scores must be retained for audit purposes. Evaluators must ensure that everything they say or write about submissions is fair, factual, and fully defensible.

Pursuant to Section 6 of Ontario Regulation 429/07 ("Regulation"), the Accessibility Standard for Customer Service made under the Accessibility for Ontarians with Disabilities Act, 2005, the Successful Bidder shall ensure that all of its officers, employees, agents, or others for whom it is at law responsible, receive training about the provision of the goods and/ or services contemplated herein to persons with disabilities.

Bidders are encouraged to review the University of Waterloo's requirements with regard to accessibility, and to identify and offer recommendations / alternatives that serve to support accessibility for all.

Awarding the Successful Bidder

The submission that receives the highest evaluation score and meets all mandatory requirements set out in the competitive procurement document must be declared the winning bid.

Contract Award Notification and Supplier Debriefing

In the event an RFP is posted to an electronic tendering system and/or the goods and/or services being procured are valued at \$100,000 or more, the University will:

- post a notification of contract award in the same manner as the procurement documents were posted. The notification must be posted after the agreement between the successful supplier and the University is executed. Contract award notification must list the name of the successful supplier, agreement start and end dates, and any extension options that were included in the procurement document; and
- inform all unsuccessful suppliers about their entitlement to a debriefing. The University must allow unsuccessful suppliers 60 calendar days following the date of the contract award notification to request a debriefing.

Establishing the Contract

Contracts must be finalized using the form of agreement that was released with the procurement document and must include an appropriate cancellation or termination clause (request the assistance of the Vice-President, Administration in developing such clause).

No modifications may be made to the term of agreement as set out in the competitive procurement document. In circumstances where an alternative procurement strategy has been used (e.g., a form of agreement was not released with the procurement document), the agreement between the University and the successful supplier must be defined formally in a signed written contract before the provision of supplying goods and/or services commences.

Appendix C Purchase Orders and Contracts

The purchase of goods and/or services in excess of \$5,000, must be confirmed with a properly executed Purchase Order (PO) and, when necessary, a written contract.

Purchase Orders

Issuing a Purchase Order does not constitute fulfillment of the procurement requirements. A Purchase Order simply confirms the order.

1. Upon completion of the procurement process, a (a) Purchase Order Request Form and a (b) Tender Summary Report must be completed and submitted to the Finance and Accounting department.

- a. *Purchase Order Request Form*: must be completed in full using the provided template.
- b. *Tendering Summary Report*: is to be filled by the employee conducting the procurement process and is intended to identify the selected vendor and the reasons for the selection. The reasons can be qualitative, quantitative or a combination of both.

All supporting documentation demonstrating compliance with the Procurement Policy must be maintained as outlined in the Responsibilities Section of Appendix A.

2. Once the completed documentation is submitted, the Finance and Accounting department will issue a PO to the employee conducting the procurement and record the transaction in the accounting systems. The employee will then use the PO in relation with the vendor.

Written Contracts

Written contracts must be reviewed by the Vice-President, Administration prior to approval.

Purchase Orders and Contracts Authorized Approval Structure

In addition to the approvals required with respect to the value of the goods and/or services (see Appendix A), the following approval structure applies for Purchase Orders and Contracts:

Within Budget Purchases

\$5,000 to \$10,000	PO signed by department head
\$10,001 to \$75,000	PO signed by department head, and Vice-President, Administration
\$75,001 +	PO signed by department head, Vice-President, Administration, and President

Outside Budgeted Purchases

Pre-approval from the President must be obtained and documented for purchases greater than \$5,000 that are not in the approved departmental or capital budget.

All purchases with values over the approved budget may be subject to cancellation/ modification or change in scope.

Consulting Services

All POs and contracts are to be reviewed by Vice-President, Administration and signed according to the University's procedures outlined in the SJU Board of Governors Resolution: Persons Authorized to Conduct Banking Business.

Written Contracts

All contracts are to be reviewed by Vice-President, Administration and signed according to the University's procedures outlined in the SJU Board of Governors Resolution: Persons Authorized to Conduct Banking Business.

Non-Competitive

\$0 to \$1,000,000
\$1,000,001 +

Reviewed by Vice-President, Administration, signed by President
Board of Governors

Appendix D
Support Documentation

The following support documents can be found on SharePoint within the Procurement Folder:

1. Procurement Process Flow Chart (Process Summary)
2. Purchase Order Request Form
3. Tendering Summary Report