

## GOODS AND SERVICES PROCUREMENT PROCEDURE

This procedure is governed by its parent policy. Questions regarding this procedure are to be directed to the identified Procedure Administrator.

<b>Functional Category:</b>	Finance
<b>Parent Policy:</b>	Procurement Policy
<b>Approval Date:</b>	June 6, 2016
<b>Effective Date:</b>	July 1, 2016
<b>Procedure Owner:</b>	Vice President, College Services and Chief Financial Officer
<b>Procedure Administrator:</b>	Director, Integrated Planning and Financial Services.

### Overview:

NorQuest College (college) will conduct procurement activities that ensure the fair treatment of all vendors and protects legal and financial interests of the college, while achieving best value. Purchasing activities will be made in accordance with the [Agreement on Internal Trade](#) and the [New West Partnership Trade Agreement](#).

Authority to establish this procedure is derived from the [NorQuest College Board of Governors Policy No. 5](#) which delegates authority to the President and CEO to establish policies and procedures for the college's management and operation.

### Procedures:

#### General Conditions

- Employees are authorized to initiate purchases by way of duties specified in their job descriptions or where so approved by a Senior College Official, Dean, Director or Senior Manager.
- Authorized employees who initiate purchases must confirm prior to the purchase that budgeted funds are available.
- All authorized employees are reminded that the [Code of Conduct Policy](#) requires that they declare any actual or potential conflict of interest as described in the Code of Conduct Policy and excuse themselves from recommending or approving purchases where a conflict or potential conflict of interest exists.
- All purchases must be approved by the appropriate level of signing authority. Refer to the [Signing Authority Policy](#) for signing authority details and limits.
- Only Buyers in Procurement & Contract Management are authorized to create and issue Purchase Orders to vendors.
- The purchase of capital assets as defined by the Capitalization and Amortization Procedure may only take place on a Purchase Order and only when the capital asset is:
  - approved through established planning processes (Asset Investment Group, Portfolio Steering Committee, Downtown Campus Development Plan construction projects), or
  - approved by way of a restricted grant.

Specified college departments must be contacted to order certain types of goods and services as follows:

#### Educational and Information Technologies:

- Computer hardware, software, printing, mobility, telephone, and other devices including office and classroom equipment

Facilities Management:

- Furniture (including repair and replacement)
- Modifications, renovations or additions to facility space, facility leases, tenant improvements and rentals
- Safety, security and emergency preparedness

Brand and Market Development:

- Marketing and advertising

Library Services:

- Resource materials, subscriptions, audio visual materials, including digital formats (e.g. e-books, streaming video), and all related agreements established for the usage of and licensing for digital materials.

- The authorized employee may proceed to obtain quotes directly from the vendor or contact Procurement & Contract Management for assistance.
- Splitting the total procurement value of goods and/or services into smaller amounts to circumvent purchasing actions, requirements or approval limits is prohibited.
- Total procurement value also takes into consideration the value over a period of time. Required actions as identified in the table below would apply when it is known that the procurement of the goods and/or services over a period of time will reach the noted thresholds stated in this procedure.
- All purchase value thresholds identified in this procedure exclude GST and all other applicable taxes.
- Failure to comply with this procedure may result in loss of signing authority and procurement privileges including disciplinary actions up to and including dismissal.

**Thresholds and Actions**

<b>Purchase of Goods</b>	
Total Purchase Value	Required Actions
\$0 to ≤\$50	<ul style="list-style-type: none"> <li>• Refer to purchasing conditions in Petty Cash Procedure, Procurement Card Procedure, and Hosting Procedure</li> <li>• Where appropriate purchase items and request reimbursement by way of petty cash or expense claim;; applying the principles and limits outlined in related procedures</li> <li>• Purchase items with a procurement card</li> </ul>
>\$50 to <\$1,000	<ul style="list-style-type: none"> <li>• Expense claim</li> <li>• Procurement Card</li> <li>• Purchase order is encouraged but not required</li> <li>• Refer to Petty Cash Procedure and Procurement Card Procedure</li> </ul>

≥\$1,000 to < \$10,000	<ul style="list-style-type: none"> <li>• Purchase order is required.</li> <li>• Written quotes are encouraged but not required</li> </ul>
≥ \$10,000 to < \$75,000	<ul style="list-style-type: none"> <li>• Purchase order is required</li> <li>• Obtain three written quotes from approved vendors where possible, or rationale is to be provided why not possible</li> <li>• Formal tendering is recommended</li> </ul>
≥\$75,000	<ul style="list-style-type: none"> <li>• Formal tendering is required</li> <li>• Contact the Manager of Procurement &amp; Contracts Management</li> </ul>

<b>Purchase of Services from Unincorporated Person</b>	
Total Purchase Value	Required Actions
Service of any value	<ul style="list-style-type: none"> <li>• Contract is required</li> </ul>

<b>Purchase of Services or Combination of Goods and Services</b>	
Total Purchase Value	Required Actions
\$0 to < \$10,000	<ul style="list-style-type: none"> <li>• Purchase order or contract is required</li> <li>• Written quotes are encouraged but not required</li> </ul>
≥ \$10,000 to < \$75,000	<ul style="list-style-type: none"> <li>• Contract is required</li> <li>• Three written quotes are required</li> <li>• Refer to the Contract Management Procedure for other requirements</li> </ul>
≥\$75,000	<ul style="list-style-type: none"> <li>• Formal tender required for procurement other than Construction/Renovation</li> <li>• Contact the Manager of Procurement and Contract Management</li> </ul>

<b>Construction/Renovation Only - Services/Goods</b>	
Total Purchase Value	Required Actions
\$0 to <\$10,000	<ul style="list-style-type: none"> <li>• Purchase Order is required</li> <li>• Written quotes are preferred but not required</li> <li>• Using Pre-Qualified List of General/Trade contractors is encouraged.</li> </ul>
\$10,000 to < \$50,000	<ul style="list-style-type: none"> <li>• Purchase Order is required</li> <li>• Three quotes are required</li> <li>• Using Pre-Qualified List of General/Trade contractors is encouraged.</li> </ul>

≥\$50,000 to < \$200,000	<ul style="list-style-type: none"> <li>• Contract is required</li> <li>• Formal tender is optional</li> <li>• Three quotes are required using Request for Quotes for Construction / Trade Services.</li> <li>• Using Pre-Qualified List of General/Trade contractors is encouraged.</li> </ul>
≥\$200,000	<ul style="list-style-type: none"> <li>• Formal tender is required</li> <li>• Contact the Manager of Procurement and Contract Management</li> </ul>

**Other Information**

Other Related Procedures

- Classifying the purchase of tangible goods as capital assets, or combining the purchase of goods to create a tangible capital asset must meet the conditions of the [Capitalization & Amortization Procedure](#).

Vendor Selection and Pre-Approval

- Vendors should be pre-approved by Procurement & Contract Management and are required to meet insurance, WCB and other requirements. Contact Procurement & Contract Management for details.
- In addition to competitive pricing the capability of vendors to do business with the college will be assessed considering reputation, financial stability, reliability, quality of products and/or services, and health and safety plans (if applicable).

Quote Requirements

- Vendor quotes must contain:
  - name and phone number of the individual providing the quote
  - reference (quote) number
  - how long the quote is valid
  - detailed, itemized descriptions of the goods and/or services
  - dollar value of each itemized good and/or service
  - terms and conditions (college and vendor) that apply (e.g. delivery date, service completion date)
  - additional fees / charges (eg shipping, re-stocking)

Purchase Orders

- Purchase orders are initiated by a request using PeopleSoft Requisition. Refer to the [Requisition Training Video](#) available on the Q.

Formal Tendering

- Procurement & Contract Management will coordinate all competitive purchasing activities and work with college departments to develop a Request for Proposal, Request for Qualifications, or a Request for Quotes.
- Procurement & Contract Management in conjunction with departments and other stakeholders will review responses and recommend a preferred vendor using pre-established evaluation

criteria.

- The college holds the right to reject any or all bid submissions (proposals) and has no obligation to award a project solely based on the lowest quotation or bid.

#### Sole Source Purchases

- Not every situation is applicable to a competitive environment. In these rare cases, the employee is to contact the Manager of Procurement and Contract Management to complete a Competitive Bid Exception Form to explain and justify not using a competitive process.
- Original documentation is to be submitted with the contract or purchase order.

#### Emergency Services

- Refer to the Contract Management Procedure.

#### Vendor Payments

- Vendors should be instructed to send all invoices directly to the Accounts Payable Unit.
- The Shipper/Receiver in the Service Centre is responsible for verifying that goods are received and the individual divisions are responsible for verifying that services are performed.
- The signing authority of the purchases is responsible for ensuring that invoices are accurate and charged to the correct budget.

### Definitions:

**Agreement on Internal Trade (AIT):** An Agreement between the provincial, territorial and federal governments to allow for freer trade within Canada. NorQuest College adheres to the principals of the MASH Annex 502.4 of the AIT which governs the purchase of goods and services and construction projects.

**Bonding:** is a percentage of a tender price and forms a security guaranteeing the fulfillment of a particular contract. If the vendor fails to enter into a contract with the college, the college may seek compensation under the bond. Examples include bid bond, performance bond, labour and materials bond, and surety bonds.

**Buyer:** A college employee that requests and orders good(s) or service(s) on behalf of the college.

**Contract:** is a legally binding agreement for one party to provide goods or services to the other party, in exchange for payment or other form of consideration, subject to terms and conditions.

**Formal tender:** A publicly conducted purchasing process where requirements for goods and/or services are made known and open to all desiring to bid. Also referred to as competitive bid.

**New West Partnership Trade Agreement:** An agreement between the Alberta, British Columbia, and Saskatchewan governments guaranteeing access to each other's market. It requires publicly posted competitive processes for purchases of goods or services of \$75,000 or more, and construction contracts of \$200,000 or more.

**Purchase Order:** A legally binding agreement sent to vendors to place an official order of goods and/or services.

**Quote:** A written statement of price, terms of sale and description of goods and/or services offered by a vendor.

**Request for Proposal (RFP):** A document used to elicit bids from potential vendors for a product or service. The RFP outlines the bidding process and contract terms, and provides guidance on how the bid should be formatted and presented. A RFP is formal / public tendering open to a wide range of bidders, creating an open, fair competition for all vendors.

**Request for Qualifications:** A document distributed before initiation of the RFP process used to gather vendor information to generate a pool of qualified vendors for specific goods or services.

**Request for Quote:** A written invitation for vendors to submit a quote on required goods.

**Senior College Officials:** includes members of the NorQuest College Board of Governors, President and CEO, and Vice Presidents.

**Sole Source:** Procurement from a supplier of a specialized good and/or service without a competitive process. This is usually only done where the good and/or service is to be obtained only from one source.

**Total Procurement Value:** is the total value (excluding GST and other applicable taxes) of the goods or services or a combination of goods and services that a single supplier can or will perform including:

- requisition total or a combination of requisitions for the same job, project or work order with a single supplier, and
- total value of purchases over a period of time with a single supplier

**Vendor:** A supplier or potential supplier of goods and/or services which may also be referred to as a contractor or consulting company.

**Related Information:**

- [Agreement on Internal Trade](#)
- [Code of Conduct Policy](#)
- [Contract Management Framework](#)
- [Capitalization & Amortization Procedure](#)
- [Contract Management Procedure](#)
- [Hosting Procedure](#)
- [New West Partnership Trade Agreement](#)
- [Petty Cash Procedure](#)
- [Procurement Card Procedure](#)
- [Procurement Policy](#)
- [Requisition Training Video](#)
- [Signing Authority Policy](#)
- [Travel and Business Expense Policy](#)
- [Travel and Related Expenses Procedure](#)
- [Furniture Management Procedure](#)

**Related Documentation:**

- Competitive Bid Exception Form (contact Procurement and Contract Management)

**Next Review Date:**

June 2020

**Revision History:**

June 2014: New

November 2014: update for document standards

May 2015: reviewed as per Policy and Procedure Framework and revised (replaces Standard Practice 6.09 – Material Acquisitions)

July 2015: update document links

June 2016: revised