

University of Prince Edward Island Policy	Policy No. admprognl0001	Revision No. 0
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Responsibility: Vice-President, Finance and Facilities Comptroller	Access: W	

1. Purpose

The purpose of this policy is to ensure the University of Prince Edward Island maintains the highest professional standards in the management of the resources entrusted to it. The University must ensure that goods and services are acquired in a manner that:

- 1.1 Obtains optimum value by incurring the lowest overall cost based upon full life cycle costing in the fulfillment of specified needs with appropriate levels of quality and service;
- 1.2 Uses a fair and open process when calling for, receiving, and evaluating quotations and tenders;
- 1.3 Meets its legal and ethical obligations in the acquisition of goods and services by purchase or lease;
- 1.4 Employs trained and professional staff skilled in purchasing techniques including negotiating contractual terms and conditions, cost reduction techniques, and cooperative buying processes.

2. Scope

This policy governs the acquisition of goods and services, by purchase or lease, with University funds from all sources including the operating, research, capital and ancillary funds, and all other funds held in trust or at the University's disposal.

3. Definitions

- 3.1 **Approved Supplier** is a vendor who meets minimum performance criteria with respect to service, delivery, quality and other criteria.
- 3.2 **Qualified Supplier** is any vendor who is able to meet specifications of a tender call.

- 3.3 **University Purchase Order** is a unique numbered document that officially commits the University to purchase goods and/or services under the University's terms and conditions. The Purchase Order is authorized by an official agent of the University.
- 3.4 **Quotation** is an offer or bid from an approved or qualified supplier used for the purchase of goods and services where criteria including service, quality, and delivery will be evaluated, as well as price.
- 3.5 **Invited Tender** is a solicitation to selected qualified suppliers. Invited Tenders are normally used for large value purchases. Tenders are normally requested by a specific time and are opened and evaluated by a committee.
- 3.6 **Public Tender** is an advertised solicitation to qualified suppliers. Public Tenders are normally used for large purchases, projects, or contracts. Public tenders are advertised in appropriate publications and differ from invited tenders in that any supplier may respond.
- 3.7 **Request for Proposal (RFP)** is an invitation to suppliers to submit offers to provide a solution to a problem or a need that the University has identified. In a RFP the supplier's experience, qualifications and proposed solution will be formally evaluated, as well as the price. All RFP submissions are evaluated on a set of criteria based upon the solution required.
- 3.8 **Sole Source** is the supply of a good or service that is available from only one known supplier, based on the technical expertise or specification of the good or service.
- 3.9 **Service** is any professional or other services supplied by an independent contractor. Service in this policy does not include University employment.
- 3.10 **Request for Information** is a formal request for submissions from suppliers to provide information on goods or services available to meet an identified need. A RFI submission is not considered to be a formal offer, but may lead to a RFP or direct negotiation with potential suppliers.
- 3.11 **Buying Centres and Specialized Buying Units** are departments, faculties, schools or divisions assigned responsibility for buying goods and services.

4. Responsibility & Application

- 4.1 The Procurement Services Department has the general responsibility for administering this policy under the overall direction of the Comptroller and/or Vice-President, Finance & Facilities, and recommends the designation of buying centres and specialized buying units.
- 4.2 The interpretation of this policy and the establishment of the buying centres and specialized buying units are the responsibility of the Vice- President, Finance & Facilities, who shall provide the administrative direction to carry out the policy by stipulating the procedures and controls necessary to ensure that expenditures are made according to sound business practices with appropriate accountability.
- 4.3 The Procurement Services Department has the responsibility for the procurement of materials and services, the control of assets and the processing and sale of surplus materials. Purchasing negotiations are to be handled by the Procurement Services Department or its delegated authority.
- 4.4 Goods and services shall be acquired according to the following principles:
 - 4.4.1. **Planning** - Goods and services shall be acquired after consideration of needs, alternatives, timing, and availability of funds.
 - 4.4.2 **Sourcing** – Goods and services shall be obtained through a process which shall be open, fair, consistent, and nondiscriminatory.
 - 4.4.3 **Procurement** - Goods and services shall be acquired competitively from qualified suppliers to meet specified needs, and to achieve the greatest possible value for money expended.
 - 4.4.4 **Accountability** - Approvals shall be obtained and documentation shall be retained for review and audit.

5. Purchasing Authority and Guidelines

- 5.1 All purchases require a University Purchase Order and/or a written agreement, except for purchases through designated petty cash funds, authorized procurement cards or other approved procurement arrangements, or in rare situations where the Vice-President, Finance and Facilities approves an exemption.
- 5.2 In emergency situations, the Manager of Procurement Services may approve a purchase without the use of a Purchase Order.
- 5.3 The following lists the general parameters for the purchase of Goods and Services. The Manager of Procurement Services may at his/her discretion require additional quotations or a formal tender process.
- 5.4 The Procurement Manager may approve exceptions to the requirements listed below for recurring orders from established suppliers.

Guidelines

Goods:

- 5.4.1 Purchases under \$3,000 must be initiated with a Purchase Requisition followed by a Purchase Order. These purchases do not require competitive quotes, but departments are encouraged to consider more than one supplier of the product, and obtain a documented quotation from the vendor which outlines the terms & conditions, purchase price, shipping costs, etc.
- 5.4.2 Purchases between \$3,000 and \$10,000 must be initiated with a Purchase Requisition followed by a Purchase Order. A minimum of two documented competitive quotations are required.
- 5.4.3 Purchases between \$10,000 and \$25,000 must be initiated by a Purchase Requisition followed by a Purchase Order. At least three documented competitive quotations are required.
- 5.4.4 Purchases above \$25,000 can be initiated with a Purchase Requisition or by contacting Procurement

Services directly, and are to be made following a Public Tender, Public Vendor Qualification or a Request for Proposals process.

Services:

- 5.4.5 Purchases under \$10,000 must be initiated by a Purchase Requisition followed by a Purchase Order. These purchases do not require competitive quotes, but departments are encouraged to consider more than one supplier of the product, and obtain a documented quotation from the vendor which outlines the terms and conditions, purchase price, deliverables, etc.
- 5.4.6 Purchases between \$10,000 and \$50,000 must be initiated with a Purchase Requisition followed by a Purchase Order. A minimum of three documented competitive quotations are required.
- 5.4.7 Purchases above \$50,000 can be initiated with a Purchase Requisition or by contacting Procurement Services directly, and are to be made following a Public Tender, Public Vendor Qualification or a Request for Proposals process.

Construction:

- 5.4.8 Purchases under \$10,000 must be initiated by a Purchase Requisition followed by a Purchase Order. These purchases do not require competitive quotes, but departments are encouraged to consider more than one supplier of the product, and obtain a documented quotation from the vendor which outlines the terms and conditions, purchase price, shipping costs, etc.
- 5.4.9 Purchases between \$10,000 and \$50,000 must be initiated with a Purchase Requisition followed by a Purchase Order. A minimum of two documented competitive quotations are required.
- 5.4.10 Purchases between \$50,000 and \$100,000 must be initiated by a Purchase Requisition followed by a

Purchase Order. At least three documented competitive quotations are required.

5.4.11 Purchases above \$100,000 can be initiated with a Purchase Requisition or by contacting Procurement Services directly, and are to be made following a Public Tender, Public Vendor Qualification or a Request for Proposals process.

5.5 Competitive quotations and tenders are not required for goods or services where:

5.5.1 The only supplier is a department, agency, or utility of the federal, provincial, regional, or municipal government;

5.5.2 A regulatory authority has approved the price or rate; or

5.5.3 The purchase is for media advertising time or space;

5.5.4 There is an existing standing offer pursuant to group buying arrangements.

5.6 In cases where the sole sourcing of goods or services is justified based upon the specialized nature of a particular product or service or other extenuating circumstances, a request for sole sourcing must be initiated by the applicable signatory in writing for consideration to the Manager of Procurement Services. The Manager of Procurement Services at his/her discretion may require additional approvals.

5.7 Where the acquisition of scientific equipment of a highly specialized nature is available from only one supplier, one quotation is acceptable provided the acquisition is approved by a Dean and/or a Vice-President. If such equipment is research-funded, its purchase must be approved by the Vice-President, Research and Development. The justification for sole source purchases must be written and submitted with the purchasing documentation.

5.8 The Vice-President, Finance & Facilities, Comptroller, or Manager of Procurement Services must approve all other exceptions to the requirements for quotations and tendering.

- 5.9 Planned purchases shall not be segmented or otherwise manipulated in order to avoid the requirements of this policy.
- 5.10 In the procurement of all goods and services, consideration must be given to the full life cycle costing, including the cost of installation, operating costs and cost of disposal.

6. Centralized Consulting and Professional Services

- 6.1 For regular on-going central consulting and professional services:
 - 6.1.1 The appropriate Vice-President, in consultation with the Comptroller and/or the Manager of Procurement Services, may engage consulting or professional services. Terms of reference must be established in writing for all engagements. These central services include, but are not limited to, audit, architectural, legal, employee benefits consulting, pension and actuarial consulting, banking, investment management and investment custodial services.
 - 6.1.2 The appropriate Vice-President in consultation with the Comptroller is responsible for conducting regular reviews of contracted consulting or professional services. Such ongoing services will be subject to review on a schedule not greater than every five years.
 - 6.1.3 A review may not necessarily lead to a tender call if the Vice-President and the Comptroller deem it advisable to continue to engage the same supplier of the service. If it is decided to conduct a tender call, this does not necessarily exclude the existing supplier from consideration. In fact, a previous relationship with a supplier may be a very positive factor for continuing with that supplier, especially with regard to a history of very good performance. Factors to be considered in conducting reviews and evaluating tenders when called will include price, service, quality, personnel deployed and track record.

7. Interuniversity or Group-Buying Arrangement

- 7.1 The University may engage in group-buying arrangements. The agreements negotiated largely reflect the lowest total end use cost for members, considering quality, service and price. In addition, the contractual terms and conditions of these agreements are

binding on vendors, and provide uniform legal protection to its members.

- 7.2 All materials or services listed in the group-buying arrangements or contracts shall be procured from the approved suppliers, unless otherwise approved by the Manager of Procurement Services.
- 7.3 The Manager of Procurement Services is responsible for ensuring current buying arrangements are utilized, and to act as a liaison between University departments and the buying group or suppliers concerning problems and opportunities relating to quality, service and price with selected suppliers.

8. Standardization of Supplies, Materials and Equipment

- 8.1 Standardization of supplies, materials and equipment is to be achieved wherever possible. Establishing University-wide accepted Standards encourages the efficient use of materials, supplies and equipment, and assists in optimizing cost reductions.
- 8.2 The University may from time to time enforce specific standards in the procurement of supplies, materials and equipment.

9. Sustainable Procurement (see UPEI Sustainability Policy)

- 9.1 The University shall whenever appropriate promote the purchase and use of sustainable and environmentally-friendly products and services.
- 9.2 The University shall promote the re-use of products and materials wherever practical by purchasing recycled or re-furnished alternatives. When re-use is not available, economical or suitable, then the University shall endeavour to purchase products and services which:
 - 9.2.1 Contain post-consumer recycled materials;
 - 9.2.2 Contain materials that lend themselves to recycling;
 - 9.2.3 Contain recyclable packaging; and
 - 9.2.4 Are not harmful to the environment.

10. Procurement of Hazardous Materials

- 10.1 In accordance with the Federal Government WHMIS legislation, all purchases classified as hazardous materials require Material Safety Data Sheets. These sheets must be supplied by the manufacturer, and proper instructions for product usage and safety shall be available to University faculty, staff and students using the product.
- 10.2 It is the responsibility of the individual faculty, school or department to ensure requirements of this policy are met. When requested, the Procurement Services Department will assist in obtaining Material Safety Data Sheets from vendors.
- 10.3 Certain biological or other materials may require legislated permits. In addition, see UPEI Bio-Safety Policy. It is the responsibility of the purchaser/end user to obtain the necessary permits.
- 10.4 In advance of any purchase of Hazardous Materials, the purchaser must ensure that proper internal controls exist for the handling and care of these materials. This control includes but is not limited to:
 - Storage
 - Safeguarding
 - Training
- 10.5 Procurement can refuse to issue Purchase Orders where it is not apparent that these controls are in existence.

11. Conflict of Interest

- 11.1 In contacts with suppliers, all employees or agents of the University must maintain a separation between personal and professional interests.
- 11.2 University employees shall exclude themselves from influencing the purchase of any goods or services wherever a conflict of interest or perceived conflict of interest exists. The highest standards for procurement shall be applied at all times, with particular attention whenever the business interests of employees, their relatives or friends, are involved in supplying goods and services to the University.
- 11.3 Employees or agents of the University are prohibited from accepting personal gifts, personal loans, entertainment or other

special considerations from an individual or a company doing business with the University. It is noted that incidental or low value promotional activities or materials are excluded.

- 11.4 The University shall not enter into reciprocity agreements with suppliers except as approved in writing by the Vice-President, Finance & Facilities.
- 11.5 Supplier information shall not be used as leverage to solicit donations to the University, nor shall University procurement be influenced by donations to the University by current or potential suppliers.

12. Personal Acquisitions

- 12.1 The services of the Procurement Services Department are not available to employees or others for personal purchases except employee purchase programs authorized by the Vice-President, Finance and Facilities.
- 12.2 Under no circumstances is a University employee permitted to use the name of the University or his/her position with the University to obtain discounts for personal purchases of goods and/or services.