

## Procurement Policy

### NIPISSING UNIVERSITY

<b>Policy Name:</b>	<b>Procurement Policy</b>		
<b>Policy No:</b>	2.3.2012.U	<b>Approval Authority:</b>	President
<b>Review Date:</b>	September 2027	<b>Responsible Executive:</b>	Vice-President, Finance & Administration
<b>Last Updated:</b>	October 2024	<b>Responsible Office:</b>	Vice-President, Finance & Administration
<b>Originally issued:</b>	March 2012	<b>Policy Category:</b>	Financial

#### A. Purpose

The purpose of this policy is to establish guidelines for the procurement of goods and services in order to comply with the [Broader Public Sector \(BPS\) Procurement Directive](#) issued by the Management Board of Cabinet on April 1, 2011, under the authority of the *Broader Public Sector Accountability Act, 2010*.

This policy will:

- a) Ensure that current legislative requirements with respect to public entity purchases are met, including mandatory requirements of the Ontario BPS Procurement Directive
- b) Ensure ethical, efficient and accountable sourcing, contracting, purchasing, or other supply-chain related activities within the University
- c) Ensure that all employees involved in the supply chain are aware of the University's Supply Chain Code of Ethics (Appendix A)
- d) To outline the University's accountability for its use of funds for goods and services
- e) Ensure fairness, transparency and openness to all interested suppliers.

#### B. Scope

This policy and related procedures are applicable to all members of the University community and to all procurement and supply chain activities.

#### C. General

1. It is the policy of Nipissing University to adhere to the Ontario Government's BPS Procurement Directive and to spend the funds entrusted to it in a cost-effective manner.

Sourcing, contracting, and procurement procedures must be structured to meet all federal and provincial laws that govern competitive bidding practices in Canada, to protect both

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the University and the individual purchaser from potential liability that could result from a challenge of a contract award, and to maintain compliance with provincial, national and international trade agreements and other applicable legislative requirements.

2. The acquisition of goods and services is the primary responsibility of the Purchasing Department without regard to the source of funds from which goods and services are purchased. Thus, whether the acquisition is funded from operating funds, ancillary funds, capital funds, research funds or other, this policy applies.
3. Individual budget holders are responsible for the identification of a requirement, development of a specification, provision of fund and accounting information containing sufficient funds to cover the estimated cost of the acquisition, preparation of the requisition and working with the Purchasing Department staff to evaluate the quotes/proposals received.
4. The role of the Purchasing Department is to identify sources for required goods and services, to select and acquire the goods and services as economically as possible within acceptable standards of quality, to manage supplier relationships on behalf of the University, and to ensure that purchases are made in accordance with this policy.
5. A conflict of interest exists with respect to a particular transaction when an employee can experience personal gains from an outside interest by their ability to influence dealings for the University or when the impartiality of the employee's business judgement is otherwise inhibited. Consequently, the University as a general rule does not enter into purchasing contracts with students, faculty and staff or members of their immediate family.
6. Acquisitions from a business in which a student, faculty member, staff member or members of their immediate family has an interest are prohibited unless full disclosure of the background facts is presented to the Purchasing Manager. This information is reviewed by the Purchasing Manager for decision as to whether a conflict of interest is present and, if so, what course of action needs to be taken.
7. The procedures of this policy are superseded if the matter is one of preserving life/limb or the likelihood of substantial damage to property or equipment.

### D. Definitions

***“Competitive Procurement”*** a set of procedures for developing procurement contracts through a bidding or proposal process. The intent is to solicit fair, impartial competitive bids.

***“Conflict of Interest”*** a situation in which financial or other personal considerations have the potential to compromise or bias professional judgment and objectivity. An apparent conflict of interest is one in which a reasonable person would think that the professional's judgement is likely to be compromised.

***“Consultant”*** refers to person or entity that under an agreement, other than employment agreement, under fee-for-service arrangement, provides expert or strategic advice and related services for consideration and decision-making usually in the form of a report. The following licensed professional

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do not typically constitute consulting services: medical doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, accountants, lawyers and notaries.

**“Contractor/Professional Service”** refers to a person or entity retained under fee-for-service arrangement that is not an employment agreement, to perform specific tasks under a client’s direction for a limited period of time.

**“Invitational Competitive Procurement”** any form of requesting a minimum of three (3) qualified suppliers to submit a written proposal in response to the defined requirements outlined by an individual/organization.

**“Procurement”** acquisition by any means, including by purchase, rental, lease or conditional sale of goods and services.

**“Procurement Value”** is the estimated total financial commitment resulting from procurement, taking into consideration optional extensions. When determining the value of procurement for approval purposes as outlined in this Policy, individuals should not take into consideration applicable sales taxes.

**“Request for Proposal (RFP)”** is a document used to request suppliers to supply solutions for the delivery of complex products and services or to provide alternative options or solutions. It is a process that uses predefined evaluation criteria in which price is not the only factor.

**“Request for Quotation (RFQ)”** is a document where an Organization describes exactly what needs to be purchased and the evaluation is based solely on price.

**“Request for Information (RFI)”** is 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)”** is a written request intended to gather information on supplier capabilities. Not used to eliminate bidders from a future bid opportunity.

**“Request for Supplier Qualification (RFSQ)”** is a written request gathering information on supplier capabilities with the intention of creating a list of pre-qualified bidders.

**“Single Sourcing”** a non-competitive method of procurement of goods or services from a supplier in situations where there is or may be another supplier or suppliers capable of delivering the goods or services.

**“Sole Source”** the use of a non-competitive procurement process to acquire goods or services where there is only one available supplier for the source of goods or services.

**“Supply Chain Activities”** means all activities directly or indirectly related to the Organization’s planning, sourcing, procurement, moving, and payment processes.

**“Vendor-of-Record (VOR)”** a procurement arrangement that authorizes organizations to select a supplier from pre-qualified supplier(s) through a formal second-stage process, for a defined period, on terms and conditions set out in the VOR arrangement.

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### E. The Policy

#### 1. Procurement Activities

- i. The University's policy of procurement through a central authority is intended to apply to the acquisition of all goods and services from suppliers, particularly where competition in the marketplace may prove to be financially beneficial to the University. Certain items which are mainly of a non-competitive nature, such as taxes, utilities, postage and memberships may be excluded from this Policy.
- ii. The Purchasing Department shall attempt to maintain a competitive atmosphere among suppliers and ensure that each is treated fairly and without preference.
- iii. Maximum value should be obtained for budgetary expenditures on supplies, equipment and services. The lowest priced product will be purchased provided quality, service, delivery and other relevant factors are deemed equal to those of competitive products.
- iv. Liability for any purchase made without proper authorization (please see the University's Approval Authority Policy) falls on the person purchasing and not the University.
- v. The Procurement Specialist, or delegate, is authorized to purchase in the open market, goods and contractual services provided such purchases have been approved in accordance with the [University's Approval Authority Policy](#). Purchase orders to suppliers may be issued by the Purchasing Department on the authority of an approved purchase requisition.
- vi. The Procurement Specialist may request that any item or related items be tendered or more quotations be secured by the Purchasing Department before a P.O. will be issued. The Procurement Specialist may also request the posting of tenders electronically when appropriate.
- vii. 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 if warranted, 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 or influence their chances of being successful on any subsequent opportunity.
- viii. Terms and conditions of a Request for Supplier Qualification (RFSQ) document must contain language that disclaims any obligation of the University to call on any supplier to provide goods or services as a result of pre-qualification. An RFSQ should specifically define the type of materials or services included and set upper limits to the value of future awards.
- ix. Bid submission date and closing time must be clearly stated in competitive procurement documents. Closing date and time must be set 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.
- x. Evaluation criteria must be developed, reviewed and approved by the Procurement Specialist prior to commencement of the competitive procurement process.

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- a. Competitive procurement documents must clearly outline mandatory, rated, and other criteria that will be used to evaluate submissions, including weight of each criterion.
  - b. Mandatory criteria (e.g. technical standards) should be kept to a minimum to ensure that no bid is unnecessarily disqualified.
  - c. Maximum justifiable weighting must be allocated to the price/cost component of the evaluation criteria.
  - d. Evaluation criteria are to be altered only by means of addendum to the competitive procurement documents.
  - e. University may request suppliers to provide alternative strategies or solutions as a part of their submission. Criteria to evaluate alternative strategies or solutions must be established prior to commencement of the competitive procurement process. Alternative strategies or solutions must not be considered unless they are explicitly requested in the competitive procurement documents.
- xi. Competitive procurement documents must fully disclose the evaluation methodology and process to be used in assessing submissions, including the method of resolving tie score. Competitive procurement documents must also state that submissions that do not meet the mandatory criteria will be disqualified.
  - xii. Competitive procurement processes require an evaluation team responsible for reviewing and rating the compliant bids. The 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.
  - xiii. Each 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.
  - xiv. 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.
  - xv. 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. Where an immediate need exists for goods or services, and the University and the supplier are unable to finalize the contract, an interim purchase order may be used. The justification of such decision must be documented and approved by the Procurement Specialist.
  - xvi. The contract must be finalized using the form of agreement that was released with the procurement documents. In circumstances where an alternative procurement strategy has been used (i.e., 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 or

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services commences.

- xvii. All contracts must include appropriate cancellation or termination clauses. When conducting complex procurements, the use of contract clauses that permit cancellation or termination at critical project life-cycle stages should be considered.
- xviii. The term of the agreement and any options to extend the agreement must be set out in the competitive procurement documents. Extending the term of agreement beyond that set out in the competitive procurement document amounts to non-competitive procurement where the extension affects the value and/or stated deliverables of procurement.
- xix. For procurements valued at \$100,000 or more, the University must post contract award notifications, in the same manner as the procurement documents were posted. The notification must be posted after the agreement between the successful supplier and the Organization was executed. Contract award notification must list the name of the successful supplier, agreement start and end dates, and any extension options.
- xx. For procurements valued at \$100,000 or more, the Purchasing Department must inform all unsuccessful suppliers about their entitlement to a debriefing. Unsuccessful suppliers will have up to 60 calendar days following the date the contract award notification to request a debriefing.
- xxi. Payments for goods and services must be made in accordance with provisions of the contract. Individuals approving invoices are responsible for ensuring the invoice contains detailed information sufficient to warrant payment. Any overpayments must be recovered in a timely manner.
- xxii. The University does not encourage the use of deposits/prepayments. This is to ensure that the University is not held at risk, should the supplying vendor fail, or be placed in the position of being the banker.
- xxiii. For reporting and auditing purposes, all procurement documentation, as well as any other pertinent information must be retained by the Purchasing Department in a recoverable form for a period of seven years. The University will maintain suppliers' confidential and commercially sensitive information in a secure manner.
- xxiv. Competitive procurement documents must outline bid dispute resolution procedures to ensure that any dispute is handled in an ethical, fair, reasonable, and timely fashion.
- xxv. All amounts referred to in this policy are exclusive of applicable taxes.

### **2. Procurement thresholds for the procurement of goods, non-consulting services, construction and renovations (please see Appendix B for a summary of thresholds):**

#### **i. Procurement up to but not exceeding \$5,000**

Any one item, or an accumulation of items not exceeding \$5,000 in value may be purchased based on the requisitioner's knowledge and experience with the supplier, knowledge of last purchase price or verbal quotation. The requisitioner is encouraged to use their corporate P-

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card for purchases under \$5000. If a corporate P-card is not accepted by the vendor, a requisition must be submitted prior to purchase.

### ii. Procurement over \$5,000 and up to \$25,000

Any one item, or an accumulation of items over \$5,000 and up to \$25,000 in value may be purchased on the basis of a written competitive quotation from no fewer than two (2) suppliers. If the requisitioning department obtains the quotations, all original documentation must be forwarded to the Purchasing Department with an approved purchase requisition prior to the issuance of a purchase order.

### iii. Procurement over \$25,000 and up to but not including \$100,000

Any one item, or an accumulation of items over \$25,000 and up to but not including \$100,000 in value must be purchased through an invitational competitive process whereby no fewer than three (3) suppliers are invited to submit a written response to a RFQ or RFP issued by the Purchasing Department.

### iv. Procurement \$100,000 and over

Any one item, or an accumulation of items \$100,000 in value or more must be purchased through a formal competitive bid process managed by the Purchasing Department. All competitive documents must be posted on an electronic tendering system that is readily accessible by all Canadian suppliers, such as Bonfire and/or MERX, for a minimum of 15 calendar days.

Consideration must be given to extend the response time for suppliers to a minimum of 30 calendar days for procurement of high complexity, risk and/or dollar value.

The overall value of procurement cannot be reduced (e.g. dividing a single procurement into multiple procurements) in order to circumvent competitive procurement thresholds.

## 3. Procurement of Consulting Services

i. Competition must be obtained for consulting services regardless of value.

### ii. Procurement of Consulting Services up to but not including \$100,000

All consulting services up to but not including \$100,000 in value must be purchased through an invitational competitive process whereby no fewer than three (3) suppliers are invited to submit a written response to a RFQ or RFP issued by the Purchasing Department.

### iii. Procurement of Consulting Services \$100,000 and over (please see Appendix B for summary of thresholds):

All consulting services \$100,000 in value or more must be purchased through a formal competitive bid process managed by the Purchasing Department. All competitive documents must be posted on an electronic tendering system that is readily accessible by all Canadian suppliers, such as Bonfire and/or MERX, for a minimum of 15 calendar days. Consideration must be given to extend the response time for suppliers to a minimum of 30 calendar days for procurement of high complexity, risk and/or dollar value.

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### 4. Exceptions to Competitive Pricing – Sole/Single Sourcing

- i. The University will utilize an open competitive process as indicated under section E.2 and section E.3 of this policy in order to obtain the greatest value for money. However, in some specific situations as described in this Sole/Single Source Section, competitive procurement may not be warranted. In the event that the University does not employ a competitive procurement process for goods, construction or non-consulting services, formal documentation will need to be completed on a Sole/Single Source Certificate. Appropriate approvals must be obtained on the certificate prior to procuring the related goods/services.
- ii. Exceptions to competitive bidding requirement must not be for the purpose of avoiding competition or in order to discriminate against or favour specific suppliers. The University requires competitive bidding of all procurement where practical and advantageous, however, the Sole/Single Source Certificate sets out when a Sole or Single purchase can be made. Other reasons include the following:
  - a. Where there is an absence of competition for technical, unique expertise, legislative or statutory reasons (i.e. Agreement on Internal Trade),
  - b. Where the supply of goods or services is controlled by a statutory monopoly, and
  - c. For procurement of real property.
- iii. In the event that the University employs a non-competitive procurement of consulting services, formal documentation will need to be completed on a Sole/Single Source Certificate which must also be signed by the President for services under \$1,000,000 and by resolution of the Board of Governors (or the Executive Committee of the Board) for services \$1,000,000 and over.

### 5. Gifts and Gratuities

- i. In serving the interests of the University, no employee shall use his/her authority of office for personal benefit. To preserve the image and integrity of the employee and the University, business gifts other than items of small intrinsic value should not be accepted. Reasonable hospitality is an accepted courtesy of a business relationship. However, the frequency and nature of the gifts or hospitality accepted should not be allowed whereby the recipient might be or might be deemed by others to have been influenced in making a business decision as a consequence of accepting hospitality gifts.

Inquiries regarding the interpretation, practices and procedures to be following in administering matters relating to this policy should be directed to the Vice-President, Finance and Administration or the Director of Finance.

The Vice-President, Finance and Administration, will review this policy within five years to ascertain if



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any amendments are necessary.

### **6. Contacts**

Purchasing Office – [purchasing@nipissingu.ca](mailto:purchasing@nipissingu.ca)

### Appendix A

#### Procurement Code of Ethics

**Endorsed by Audit and Finance Committee of the Board, April 8, 2010.**

The Nipissing University Procurement Code of Ethics is integral to the University's Procurement of Goods and Services Policy and the University's practices are guided by this Code of Ethics.

#### Code of Ethics

Nipissing University aspires to high ethical, legal, environmental, managerial and professional standards in the management of the resources entrusted to it. Within this context, the University shall procure goods and services in an open, fair and transparent manner and in a competitive environment, so that all transactions yield the optimal benefit to the University in these circumstances.

#### Guidelines

##### **1. Personal Integrity and Professionalism**

All individuals involved with purchasing or other supply chain-related activities must act, and must be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all supply chain activities within Nipissing University and between suppliers and any other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. All participants must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products.

##### **2. Accountability and Transparency**

Supply chain activities must be open and accountable. In particular contracting and purchasing activities must be fair, transparent and conducted with a view to obtaining the best value for the University. All participants must ensure that University resources are used in a responsible, efficient and effective manner.

##### **3. Compliance and Continuous Improvement**

All individuals involved in purchasing or other supply chain-related activities must comply with this Procurement Code of Ethics and the laws of Canada and Ontario. All individuals should continuously work to improve supply chain policies and procedures, to improve their supply chain knowledge and skill levels, and to share leading procurement practices.

**Nipissing University**  
**Procurement Thresholds**  
**Procurement of Goods, Non-Consulting Services, Construction and Renovations**

Total Procurement Value (excluding taxes)	Means of Procurement	Process	Purchase Requisition Approval	Commitment Approval
\$0.00 up to \$5,000	P-Card or online purchase requisition when a supplier will not accept a credit card for payment.	Purchases can be made using a P-card or completing an online requisition.	University's Approval Authority Policy	University's Signing Authority Policy
\$5,001 up to \$25,000	Online purchase requisition with a minimum of two written quotes	Quotes can be obtained by the requisitioning department or the Purchasing Department. Purchase order required.	University's Approval Authority Policy	University's Signing Authority Policy
\$25,001 up to but not including \$100,000	Invitational competitive procurement (minimum of three or more suppliers are invited to submit a written quotation)	The Purchasing Department shall manage the acquisition process through an RFQ or RFP. Purchase order required.	University's Approval Authority Policy	University's Signing Authority Policy
\$100,000 or more	Open competitive procurement	The Purchasing Department shall manage the acquisition process through an RFP. All postings will be on an electronic tendering system (i.e. Bonfire and/or MERX). Purchase order required.	University's Approval Authority Policy	University's Signing Authority Policy

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**Nipissing University  
Procurement Thresholds  
Procurement of Consulting Services**

Total Procurement Value (excluding taxes)	Means of Procurement	Process	Purchase Requisition Approval	Commitment Approval
\$0.00 up to but not including \$100,000	Invitational competitive procurement (minimum of three or more suppliers are invited to submit a written quotation)	The Purchasing Department shall manage the acquisition process through an RFQ or RFP. Purchase order required.	University's Approval Authority Policy	University's Signing Authority Policy
\$100,000 or more	Open competitive procurement	The Purchasing Department shall manage the acquisition process through an RFP. All postings will be on an electronic tendering system (i.e. Bonfire and/or MERX). Purchase order required.	University's Approval Authority Policy	University's Signing Authority Policy

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