

## Policy – Procedure – Administrative Directive

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**Title: PURCHASING**

**Policy No.:** \_\_\_\_\_

**Effective Date or Date of Last Amendment: September 2014**

**Approving Authority:**  Board of Governors  
 Senate  
 Board & Senate  
 President (as CEO)  
 President or Vice-President (on authority delegated by Board or Senate)

**Responsible Executive:**  President  
 Vice-President, Administration & Finance

**See also: Related Policies, Procedures and Agreements:**

UNBC Policies on Signing Authority and Contract Administration

**Relevant Legislation and Regulations:**

*Procurement Services Act* [SBC 2003] C.22

[http://www.bclaws.ca/EPLibraries/bclaws\\_new/document/ID/freeside/00\\_03022\\_01](http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/00_03022_01)

*British Columbia Public Sector Purchasing Policy* (see *Purchasing Handbook: A Guide to Acquiring Goods and Services in the Government of British Columbia*, January 2010)

<http://www.pss.gov.bc.ca/psb/pdfs/PurchasingHandbook.pdf>

*Agreement on Internal Trade (1994)* between the Governments of Canada and the Provinces and Territories, as amended and consolidated (2012) [http://www.ait-aci.ca/en/ait/ait\\_en.pdf](http://www.ait-aci.ca/en/ait/ait_en.pdf)

*Trade, Investment and Labor Mobility Agreement (2006)* between the governments of British Columbia and Alberta, as amended and consolidated (2009)

[http://www.tilma.ca/pdf/TILMA\\_Agreement\\_April2009.pdf](http://www.tilma.ca/pdf/TILMA_Agreement_April2009.pdf)

*New West Partnership Trade Agreement (2009)* between the governments of British Columbia, Alberta and Saskatchewan

<http://www.newwestpartnershiptrade.ca/pdf/NewWestPartnershipTradeAgreement.pdf>

## **Background and Purpose:**

The University of Northern British Columbia is subject to British Columbia's *Procurement Services Act*, regulations and policies made under that *Act*, the Canadian and Interprovincial Trade Agreements listed above, and the Canadian Law of Competition.

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## **Policy**

1. Procurement of Goods and Services by the University of Northern British Columbia must occur in compliance with the laws, policies and agreements listed above and any and all amendments to the same, as may be enacted or agreed to from time to time by the Government of British Columbia.

## **Delegation of Administrative and Procedural Authority**

2. Authority and responsibility for the procedural administration and implementation of this Policy, in a manner compliant with the laws and agreements listed above, is assigned to the Vice-President Administration and Finance. This authority includes the establishment, and amendment from time to time, of a reasonable schedule of tender and RFP (Request for Proposal) thresholds which are lower than those prescribed by law, as allowed by law, having consideration for the size of the Institution.

## **Authority to Purchase**

3. Authority to commit the University to binding agreements, in accordance with procedures set by the Vice President Administration and Finance, in compliance with the laws and agreements listed above, and in accordance with UNBC's Policy on Signing Authority, is assigned to the Department of Purchasing, Contract and Risk Management. This authority extends to commitments from all sources of University funds, but does not extend to the acquisition of goods or services for personal use by faculty or staff.

## **Emergency Purchases**

4. In an emergency, a member of the Executive, a Dean or Director may authorize the immediate purchase of an item or service without full compliance with the Policy or Procedures enacted thereunder. An "Emergency" includes, but is not limited to situations where: safety of staff, students or the public is in question; damage to a University facility or property is imminent or; to restore essential physical plant services.

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## **Procedure:**

### **1. Definitions**

#### 1.1 Minimum Impact of the Environment

Describes activities that promote the reduction, re-use and recycling of material/equipment, reduce the use of materials toxic to the environment, standardize common supplies and equipment where possible.

#### 1.2 Optimum Value

Means the delivery of the right goods and/or services to the right place, at the right time and at the right price with minimum impact on the environment.

#### 1.3 Ethical Procedures

Refers to those conducted with the highest level of integrity in full compliance with the law, and in conformity with generally accepted public sector purchasing policies, as well as relevant policies of the University.

2. All purchases as well as financial commitments for materials, goods, equipment and services are to be made through a central purchasing authority, except for items governed by other policies, or approved separately by the Board of Governors. Some exclusions are:

- Insurance;
- Legal Services;
- Acquisitions and Real Estate;
- Benefits and Pension Consultants;
- Orders for books and periodicals processed by the University Library;
- Orders made on the University Procurement credit card (see Procurement Card policy);
- Purchases made for resale by the UNBC Bookstore.

### **3. Confidentiality**

All terms and conditions of bids, contracts, and purchases relating to vendors and/or contractors are confidential and are not to be disclosed to any third party or competing vendor and/or contractor.

### **4. Awards of Purchase**

All things being equal (that is, quality, price, delivery, suitability of product, service, environmental issues, and method of billing) the award of purchases or contracts will normally be made to the lowest qualified bidder, in consultation with the requisitioner. The Director of Purchasing, Contract & Risk Management or Purchasing Agent may select a supplier other than

the lowest bidder landed if, value is evaluated as higher.

The Director of Purchasing, Contract & Risk Management is responsible for ensuring that the University lives up to its obligations, both in spirit and in law, to all vendors with whom it has contractual agreements. The Purchasing, Contract & Risk Management Department shall attempt to maintain a competitive atmosphere among vendors and ensure that each is treated fairly and without preference, while ensuring the highest ethical standards. The rules and ethics of the Buyer's Code of the Purchasing Management Association of Canada will be followed.

#### **5. Conflict of Interest**

University personnel will avoid situations in which conflict of interest may occur and will not accept offers of gifts and/or gratuities associated with the procurement of goods or services (see policy on Acceptance of Gifts under the Human Resources Section of the Policy Manual). Personnel must not have any financial or personal interest, direct or indirect, in any transaction made with any authorized vendor. Purchases will not be made directly or indirectly from employees of the University except as provided for in the Intellectual Property Policy. Purchases may be made from former employees providing they have left the University employ for greater than three (3) months.

All faculty and staff members who have decision making authority or who are in a position to influence a decision about a purchase or contract must disclose in writing any personal material interest in a prospective vendor to the Director of Purchasing, Contract & Risk Management or Bookstore Manager or University Librarian, and withdraw from the decision making process if that is deemed appropriate.

In order to obtain the best possible value for the University dollar, specifications should be constructed in as generic a way as possible. This will avoid the appearance of tailor-making a purchase request to favor a particular supplier.

However, it is entirely appropriate to specify considerations relevant to the purchase, such as quality or service expected, delivery time, method and timing of billing. The Purchasing, Contract & Risk Management Department will not acquire goods or services for the personal use of faculty, staff or students.

#### **6. Standardization**

Wherever possible the Purchasing, Contract & Risk Management Department will pursue a program of standardization of materials, services, ergonomically correct furniture, fixtures and equipment used throughout the University.

#### **7. Contract Administration**

Regarding internal contracts the Purchasing, Contract & Risk Management Department will help develop specifications to comply with requisitioned needs, solicit proposals, bids, write, and award contracts. Normally the requisitioner or the designee will be the contract administrator. For external contracts the Purchasing, Contract & Risk Management Department will review and recommend the signing of all contracts coming into the University. The Purchasing, Contract & Risk Management Department will be notified if the contract terms are not

followed, in which case the Purchasing, Contract & Risk Management Department will initiate corrective actions. Processing changes to contracts and purchase orders will be the responsibility of the Purchasing, Contract & Risk Management Department.

## **8. Approvals**

Purchase requisitions whether on line or manual must be approved by the authorized budget holder according to the Signing Authority policy prior to the issuance of a purchase order or contract. The Purchasing, Contract & Risk Management Department is responsible for ensuring that the proper approval is obtained before issuing a purchase order or contract.

The authority for the approval of purchase requisitions rests with the budget holder. The budget holder will complete the form, obtain the required signatures, set limits, and forward the document to the Purchasing, Contract & Risk Management Department. Departments and programs must notify the Purchasing, Contract & Risk Management Department of any "Acting" appointments with the name and dates specified.

A copy of the approved Signature Authorization form will be sent to Accounting, Bookstore and Central Stores. The original copy of the form will be filed in the Purchasing, Contract & Risk Management Department

## **Administrative Directive:**

### **1. Tender/RFP Dollar Limits**

This section identifies the order placement procedures that must be followed by the Director of Purchasing, Contract & Risk Management and the Purchasing Agent:

- 1.1 Purchases of a value between \$1.00 and \$50 may be made through petty cash as permitted through the Petty Cash Policy.
- 1.2 For purchases of a value between \$51 and \$999.99 designated and approved individuals may place orders from approved budgets with their UNBC Procurement Card according to the Acquisitions and Use of the Procurement Card policy. Purchases for these dollar values not being made on the UNBC Procurement Card must be made through the Purchasing, Contract & Risk Management Department.
- 1.3 For purchases of a value up to \$10,000 and where timing is critical, purchase orders may be awarded at the Director of Purchasing, Contract & Risk Management's discretion. If timing is not critical, the procedure in 1.4 should be followed, and will be considered sufficient if faxed quotes are attached to the purchase order as supporting documentation. Purchases exceeding \$10,000 where timing is considered critical must have the approval of the Vice President, Administration & Finance.
- 1.4 For purchases of a value up to \$20,000 purchase orders may be awarded on the basis of three (3) written bids resulting from a RFQ being released. These may be faxed or email bids. Depending on the goods and/or service required The Purchasing Agent or designate may purchase directly from a vendor using a Purchasing Procurement Card.

- 1.5 For purchases of a value of greater than \$20,000 but less than \$50,000 purchase orders may be awarded on the recommendation of the Director or Dean of the requisitioning department and Director of Purchasing, Contract & Risk Management or Purchasing Agent. The Director of Purchasing, Contract & Risk Management or Purchasing Agent will evaluate sealed written proposals or bids in response to a formal written request to tender or RFP closed at a specified time and date. Tenders and RFPs shall be solicited from approved vendors who are known to have desired goods or services, and have an acceptable performance record and must also be advertised on the UNBC Purchasing website section of the Internet as well as on the website of BC Bid. A minimum of three (3) responses are desired.
- 1.6 For purchases of a value of greater than \$50,000 the Director of Purchasing, Contract & Risk Management or Purchasing Agent shall where required recommend award to the Vice-President, Administration & Finance or the Vice-President (Academic) & Provost, or the President on the basis of sealed written tenders or proposals submitted at a specified time and date. Tenders and RFPs shall be solicited from approved vendors who are known to have desired goods or services, and have an acceptable performance record and must also be advertised on the UNBC Purchasing website section of the Internet as well as on the website of BC Bid. A minimum of three (3) responses are required, with evidence of agreement for the recommendation from the requesting end user or committee and Director of Purchasing, Contract & Risk Management or Agent.

If the minimum number of responses has not been received, the Director of Purchasing, Contract & Risk Management or Purchasing Agent will determine if re-tendering is warranted and make a recommendation to the Vice-President (Administration & Finance).

## **2. Exceptions to Tender/RFP Process**

### **2.1 Sole Source Justification**

A sole source is an item where the specifications of that item limit its purchase to only one known source of supply. A brief statement on a sole source form stating the reason(s) for the specifications and why alternatives are not acceptable is required. The sole source form must be signed by the budget holder requesting the goods before being forwarded to Purchasing, Contract & Risk Management.

End users should be aware that although the item may not be tendered to a number of vendors, the Purchasing, Contract & Risk Management Department may still issue a RFP to the vendor to establish specific contractual requirements that would benefit both the end user and the University.