

ST. JEROME'S UNIVERSITY



Procurement

Institutional Manual

Approving Authority: President (Vice Chancellor)

Established: December 1, 2011

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Office of Accountability: Executive Director, Finance and Administration

Administrative Responsibility: Finance and Accounting

Policy Statement

St. Jerome's University (hereby known as "the University") is committed to procuring needed goods and/or services in such a manner to obtain best value¹ 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 principles of the Ontario Broader Public Sector Procurement Directives (BPSPD). All activities will be open, accountable, fair, and transparent, and conducted with a view to obtaining the best value. The 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, SJU will provide an explanation upon request.

Participants involved in procurement activities will conduct themselves professionally, act with integrity, and give due consideration to the University's long-term sustainability and its strategic mandate. 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 services² 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 will apply. In cases where external sponsors' terms and conditions are less restrictive, this Policy will apply. Modified processes that adhere to the BPSPD principles and Code of Ethics are permitted under the following circumstances:

- when the material being procured is of a confidential or privileged nature;

¹ **Best value** is defined as the maximization of procurement dollars in an investment by achieving the most effective balance between cost, quality, applicability, availability, ESG (environmental, social and governance) and risk.

² Services can be considered consulting services or fee-for-service. In general, consulting is the providing of strategic expertise or 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 should consult with the Executive Director, Finance and Administration, as consulting services have additional procurement requirements.

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

Related Policies

- **Expenses (Travel, Meals and Hospitality) Policy** – indicates the appropriate type of activities and administration oversight to claim expenses related to University business.
- **Corporate Credit Card Policy** – outlines the terms and conditions for credit card usage.
- **Policy Respecting Business of the University, including Banking and Financial Transactions** – indicates the people in the University with signing authority.
- **Advancement Policy** – outlines acceptable gifts and when to accept or reject a gift from an individual or organization.

Internal Controls and Responsibilities

The employee/department procuring a good or service has an obligation to:

- verify the procurement is within their department's budget;
- verify sufficient resources are available;
- adhere to the mandatory requirements of the BPSPD³
- gather all necessary support documentation;
- communicate with Finance and Accounting to determine if implications of import/export rules, taxation, and sanctions lists apply;
- submit accurate and complete documentation as identified within this Policy and the related procedures; and
- act in accordance with applicable law⁴

All procurement and supporting documentation must be maintained by the procuring department for a minimum of seven (7) years. All materials are subject to external audit. The table below outlines the owner of various procurement documentation.

Table 1: Procurement documentation ownership

Procurement Document(s)	Owner
PO, tendering summary, quotes, invoicing	Finance and Accounting
Bid documents (RFP, RFQ), contracts	EDFA office
Supporting documentation	Department (purchaser)

Segregation of duties prevents any one person from controlling the entire procurement/purchasing process by segregating roles and approvals through the key stages of the procurement process as outlined below.

³ Refer to the Procurement Procedures for information on how to be BPSPD compliant in each step of the procurement process.

⁴ Refer to the Procurement Procedures for SJU's legal framework.

Table 2: Segregation of Duties

Role	Responsibilities	Owner
<i>Budget</i>	Approve spending in accordance with University Policy and allocated budget	<ul style="list-style-type: none"> • Senior Administration (approves Departmental Budget requests) • SJU Board of Governors (approves Operating budget)
<i>Requisition</i>	Order the goods and/or service	<ul style="list-style-type: none"> • Department (purchaser)
<i>Commitment</i>	Authorizes release of order to Supplier upon agreed upon terms	<ul style="list-style-type: none"> • Department (purchaser)
<i>Receipt</i>	Confirms the order was received and goods are in working condition (e.g. assess for damage and correct quantity)	<ul style="list-style-type: none"> • Department (purchaser)
<i>Payment</i>	Authorizes the release of payment to vendor	<ul style="list-style-type: none"> • Finance and Accounting

Value of Goods and/or Services

The total value of goods and/or services is estimated as the approximate cost to acquire, ship/transport, and receive the goods over the total life cycle of a contract or an agreement. When calculating the total value of the procurement for approval purposes, the purchaser must ensure the following:

- i. the quoted price is broken down by cost, including the cost for goods and/or services, training, delivery fees, etc. rather than as a cumulative total;
- ii. if multiple transactions of the same good and/or service are required, these transactions must be calculated together into the total value (e.g. if maintenance repairs are required quarterly, the total cost of this service is the combined total for all four quarters, not one individual service repair); and
- iii. all optional renewal periods of a contract are included in the commitment value (e.g. \$50,000 per year for 2-year term + optional renewal of 1 year = \$150,000 approval).

Taxes are not included in the calculation of total value of the procurement. Departments should ensure that sufficient budget is available to pay taxes⁵.

Dividing requirements into multiple procurements (e.g. splitting orders for the same service) to reduce the value of a single procurement and, subsequently, not obtaining approval for the total commitment value is not permitted.

⁵ Procuring departments should contact Finance and Accounting to assist with the tax implications of procurement totals.

Authorized Approval Structure

The purchaser must follow the Authorized Approval Structure (AAS) for each procurement dollar threshold. The below chart summarizes procurement threshold requirements and the required documentation.

Table 3: Procurement authorization levels

Dollar Threshold (CAD) ⁶	Documentation	Requirements	Authorized Approver
<\$5,000	Invoice, personal expense claim, payment request form, credit card purchases	N/A	Department Head/Budget Owner
\$5,000 - \$9,999	Purchase Order/Quotes	2 quotes (Written or Verbal)* minimum	Department Head/Budget Owner
\$10,000 - \$24,999	Purchase Order / Tendering Summary, Written Contract (if necessary)	3 written quotes minimum	Department Head/Budget Owner + EDFA
\$25,000 - \$74,999	Purchase Order / Tendering Summary, Written Contract	3 written quotes minimum	Department Head/Budget Owner + EDFA
\$75,000 - \$99,999	Purchase Order / Tendering Summary, Written Contract	3 written quotes minimum	Department Head/Budget Owner + EDFA + President
>\$100,000	Purchase Order / Tendering Summary, Written Contract	Formal RFP	Department Head/Budget Owner + EDFA + President
Non-Competitive Procurement <\$1,000,000	Formal request/EDFA review, Purchase Order / Tendering Summary, Written Contract. Exceptional circumstances only	Limited Tender Form	President + VPAD/EDFA, or Boards of Governors ⁷
Non-Competitive Procurement >\$1,000,000	Formal request/EDFA review, Purchase Order / Tendering Summary, Written Contract. Exceptional Circumstances only	Limited Tender Form	Board of Governors
Consulting Services ⁸ <\$100,000	EDFA Review/Contract, Purchase Order / Tendering Summary, Written Contract	3 written quotes minimum	President, VPAD, or EDFA
Consulting Services \$100,000+	EDFA Review/Contract, Purchase Order / Tendering Summary, Written Contract	Formal RFP	President + EDFA
Purchases Outside Budget >5,000	Written Explanation		President

*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.

⁶ Dollar threshold values are defined in Canadian currency. If a procurement is conducted in an alternate currency (e.g. USD), the purchaser must ensure the value of the procurement is converted to CAD for approval processes.

⁷ In non-competitive procurements initiated by the President, approval will be required by the University's Board of Governors.

⁸ Consulting services provide expert or strategic advice and related services for consideration and decision making. Refer to the Procurement Procedures for details and types of consulting. Consult with the Executive Director, Finance and Administration, if you are unsure if the service is consulting or fee-for-service.

In the event the actual value of the procurement is higher than estimated, the requirements of the new threshold apply. If the actual value of the procurement is greater than 10% of the original amount approved, the procurement requires the president's written approval.

Minor Spending (<\$5,000 total cost)

All transactions relating to the procurement of goods and/or services for which the estimated total cost is **less than \$5,000** are considered minor spending. These transactions do not require a competitive procurement process, however, the purchaser must ensure the following;

- i. The purchase has been budgeted for and is procured in such a way as to bring best value to the University;
- ii. The procurement leverages appropriate and existing resources⁹; and
- iii. The same goods and/or services from one supplier are not divided over time to avoid a larger dollar value procurement.

Goods and services that meet the minor spending threshold can be acquired through verbal and/or written offer, with payment processed through corporate credit card, personal expense claim, vendor invoicing, or payment request form.

Types of Procurement (>\$5,000 total cost)¹⁰

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 appropriate competitive procurement process (see Table 3: Procurement Authorization Levels) and must be executed by purchase order or written contract.

There are three types of procurements:

1. **Invitational Competitive Procurements**, which involve inviting qualified suppliers to submit written proposals.
2. **Open Competitive Procurements**, which involve posting Requests for Proposals (RFPs) to an electronic tendering system available to all Canadian suppliers; this process must be used for goods and/or services valued at **\$100,000 or more**.
3. **Non-Competitive Procurement**, which involves the procurement of goods and/or services without competition; the use of non-competitive procurements is only allowed in exceptional circumstances, which are outlined in the exemptions within the BPSPD and relevant trade agreements, such as the Canadian Free Trade Agreement.

Such exemptions include, but are not limited to:

- 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 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., immediate clean up as a result of a flood);
- where goods and/or services are proprietary to a supplier; and
- in the acquisition of land and rental of property.

⁹ Existing resources include reviewing active SJU and/or UW contracts.

¹⁰ Refer to the Procurement procedures for details on how to conduct your procurement.

The default procurement process should be competitive. The availability of an exemption to a competitive process does not automatically justify its use.

Approval to enter into any non-competitive procurement must be reviewed by the Executive Director, Finance and Administration, and approved in writing by the President prior to commencement. In the event that the non-competitive procurement is initiated by the President, approval will be required by the University's Board of Governors.

Contracts

A contract¹¹ is any agreement or commitment made by, on behalf of, or to the University, where the University is the contracting entity. Contracts must be in writing and are to be reviewed and approved by persons authorized to do so under the University's Policy Respecting Business of the University, including Banking and Financial Transactions¹². The Purchasing Department is responsible for providing a copy of the contract to Finance and Accounting.

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:

- i. 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;
- ii. establish expense claim and reimbursement rules;
- iii. maintain appropriate records (for reporting and auditing purposes, in a recoverable form for a period of seven years); and
- iv. collect, store, use, maintain and disclose information in a manner consistent with the *Freedom of Information and Protection of Privacy Act* (FIPPA).

In the event a member of the public requests access to confidential information, the office of the Executive Director, Finance and Administration will handle the request.

Management of Procured Goods and/or Services

The Procurement of goods and services, along with 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. If an invoice is submitted by a supplier without adequate information to proceed with payment, the purchasing department is responsible for providing the required documentation to Finance and Accounting.

Tasks, duties, and responsibilities must be properly documented, and supplier performance must be managed and documented, with any performance issues addressed in a timely fashion. A dispute resolution process must be outlined in the contract in order to manage disputes with suppliers throughout the life of that contract.

Electronic Signatures

Electronic signatures may be used in place of traditional written signatures. The use of electronic signature software (Consigno, Adobe Sign or DocuSign) is authorized if the software has been adequately

¹¹ Written contracts are required for all consulting services.

¹² President and Vice-Chancellor; Vice President, Academic Dean; Executive Director, Finance and Administration

secured by the University. Appropriate use includes providing University authorization(s) on procurement documentation (e.g. formal contracts and bid documents).

Each electronic signature must:

- i. Apply to a specified signatory only
- ii. May not be used by more than one person
- iii. Must uniquely identify a person

Electronic signatures should not be used in transactions where there is a legal requirement for written signature (e.g. in the signing of a deed or a document where the signature of a witness is required).

Each individual using an electronic signature is responsible for its appropriate use and security. If unsure, please contact the Executive Director, Finance & Administration for guidance.

Conflict of Interest

Participants involved in procurement activities will conduct themselves professionally and declare any actual or potential conflicts of interests. Where a conflict of interest arises, it will be evaluated and appropriate mitigation action will be taken.

Appendix A Support Documentation

The following support documents can be found on the SJU Resources Teams within the Finance & Procurement Folder:

1. Procurement Procedures
 - Acts as a “How-to Guide” for conducting procurements on behalf of the University
 - Includes details for each procurement type and threshold
 - Lists details around BPSPD compliance and key considerations
2. Procurement Process Flow Chart (Process Summary)
 - Acts as a visual decision-making tool to assist staff and faculty with determining which procurement method they need to follow
3. Purchase Order Request Form
 - Required form for the purchase of goods and/or services in excess of \$5,000, if there is no written contract
 - Serves to summarize key information related to the purchase, including type of purchase, supplier information, quantity of goods, and total cost
 - Requires approval of purchase based on dollar threshold and AAS prior to submission to Finance and Accounting
4. Tendering Summary Report
 - Serves to summarize key information related to the tendering, including the number of tenders solicited and received, details on each supplier bid, and the recommendation from the purchaser/department